

Hearing on Save Our Social Security Now

HEARING

BEFORE THE

SUBCOMMITTEE ON SOCIAL SECURITY

OF THE

COMMITTEE ON WAYS AND MEANS

U.S. HOUSE OF REPRESENTATIVES

ONE HUNDRED SIXTEENTH CONGRESS

SECOND SESSION

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Hearing on Save Our Social Security Now

U.S. House of Representatives,
Committee on Ways and Means,
Washington, D.C

WITNESSES

PANEL I

Senator Ron Wyden
Oregon

PANEL II

Representative Danny K. Davis
Illinois

Representative Linda Sánchez
California

Representative Judy Chu
California

Representative Don Beyer
Virginia

PANEL III

Nancy J. Altman
President
Social Security Works

Will Goodwin
Director of Government Relations
VoteVets

Amy Matsui
Director of Income Security and Senior Counsel
National Women's Law Center

Janice Dean
Resident

New York

Max Richtman

President and CEO

National Committee to Preserve Social Security and Medicare

Robert Roach, Jr.

President

Alliance for Retired Americans



HOUSE COMMITTEE ON WAYS & MEANS
CHAIRMAN RICHARD E. NEAL

ADVISORY

FROM THE COMMITTEE ON WAYS AND MEANS SUBCOMMITTEE ON SOCIAL SECURITY

****updated hearing location****

FOR IMMEDIATE RELEASE
September 22, 2020
No. SS-5

CONTACT: (202) 225-3625

Chairman Larson Announces an Update to the Social Security Subcommittee Hearing Entitled “Save Our Social Security Now”

House Ways and Means Social Security Subcommittee Chairman John B. Larson announced today that the hearing entitled “Save Our Social Security Now,” scheduled for Thursday, September 24th at 1:00 PM EDT will take place in 1100 Longworth House Office Building in addition to being accessible via CISCO Webex.

Pursuant to H. Res. 965, Members are encouraged to participate remotely in this hearing. Members will be provided with instructions on how to participate via the Cisco Webex platform in advance of the hearing. Members of the public may view the hearing via live webcast available at www.waysandmeans.house.gov. The webcast will not be available until the hearing starts.

In view of the limited time available to hear witnesses, oral testimony at this hearing will be from invited witnesses only. However, any individual or organization not scheduled for an oral appearance may submit a written statement for consideration by the Committee and for inclusion in the printed record of the hearing.

DETAILS FOR SUBMISSION OF WRITTEN COMMENTS:

Please Note: Any person(s) and/or organization(s) wishing to submit written comments for the hearing record must follow the appropriate link on the hearing page of the Committee website and complete the informational forms. From the Committee homepage, <http://waysandmeans.house.gov>, select “Hearings.” Select the hearing for which you would like to make a submission, and click on the link entitled, “Click here to provide a

submission for the record.” Once you have followed the online instructions, submit all requested information. ATTACH your submission as a Word document, in compliance with the formatting requirements listed below, **by the close of business on Thursday, October 8, 2020**. For questions, or if you encounter technical problems, please call (202) 225-3625.

FORMATTING REQUIREMENTS:

The Committee relies on electronic submissions for printing the official hearing record. As always, submissions will be included in the record according to the discretion of the Committee. The Committee will not alter the content of your submission, but reserves the right to format it according to guidelines. Any submission provided to the Committee by a witness, any materials submitted for the printed record, and any written comments in response to a request for written comments must conform to the guidelines listed below. Any submission not in compliance with these guidelines will not be printed, but will be maintained in the Committee files for review and use by the Committee.

All submissions and supplementary materials must be submitted in a single document via email, provided in Word format and must not exceed a total of 10 pages. Witnesses and submitters are advised that the Committee relies on electronic submissions for printing the official hearing record.

All submissions must include a list of all clients, persons and/or organizations on whose behalf the witness appears. The name, company, address, telephone, and fax numbers of each witness must be included in the body of the email. Please exclude any personal identifiable information in the attached submission.

Failure to follow the formatting requirements may result in the exclusion of a submission. All submissions for the record are final.

The Committee seeks to make its facilities accessible to persons with disabilities. If you require special accommodations, please call (202) 225-3625 in advance of the event (four business days’ notice is requested). Questions regarding special accommodation needs in general (including availability of Committee materials in alternative formats) may be directed to the Committee as noted above.

Note: All Committee advisories and news releases are available at <http://www.waysandmeans.house.gov/>

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RPTR MOLNAR

EDTR HOFSTAD

SAVE OUR SOCIAL SECURITY NOW

Thursday, September 24, 2020

House of Representatives,

Subcommittee on Social Security,

Committee on Ways and Means,

Washington, D.C.

The subcommittee met, pursuant to call, at 1:05 p.m., in Room 1100, Longworth House Office Building, Hon. John B. Larson [chairman of the subcommittee] presiding.

Chairman Larson. The Subcommittee on Social Security will come to order.

Welcome to our witnesses and audience members. Thank you, everyone, for being here today.

In this hybrid hearing format, I first want to thank the committee for all the extraordinary work they did in preparing and getting this ready, given all the technical aspects of this, to make sure that everyone is safe and secure. But we will proceed in the same fashion as the subcommittee always has, again, thanking the staff for all the precautions as it relates to COVID and these technological challenges.

We will begin with opening statements by the chair and the ranking member, followed by testimony from our witnesses and an opportunity for each member to inquire for 5 minutes.

We will dispense from our practice of observing the Gibbons rule and, instead, go to order of seniority for questioning, alternating between minority and majority.

I know that we may have a few Ways and Means Committee members who are not members of this subcommittee who are joining us today. They will be permitted to inquire after the questions.

As a reminder, members who are joining remotely will be responsible for muting and unmuting themselves throughout the proceeding.

All members and witnesses, please make sure you keep your microphone muted when you are not speaking. This will help minimize the feedback.

For those of you who are joining me here in person, it is good to see you all. You look fantastic.

And for those joining us remotely, I am glad you are able to participate as well.

With that, I would like to welcome everyone to the committee on Ways and

Means Social Security Subcommittee's hearing on "Save Our Social Security Now."

Before we begin, however, I would ask everyone, please rise, as we observe a moment of silence for Supreme Court Justice Ruth Bader Ginsburg.

[Moment of silence observed.]

Chairman Larson. Thank you.

Why are we having this hearing today? What is the sense of urgency with Social Security?

I would ask if we could please play the video.

[Video shown.]

Chairman Larson. A picture is worth a thousand words, and the President has clearly stated that he wants to terminate the payroll tax. The President's action is unwise and is the first step towards defunding Social Security.

More alarming, the President has made it clear in not only these clips but on 14 occasions that he will terminate the payroll tax or cut benefits. What is worse, he is doing so during this pandemic, when the most vulnerable amongst us, the elderly, need our support the most.

This also comes at a time when Social Security is about to be paying out more than it is taking in. Further, as the Chief Actuary has stated, if the payroll tax were terminated, as the President has indicated he would do, the Social Security Disability Fund would be depleted in 2021, and the entire Social Security Trust Fund would be depleted as early as 2023.

The bottom line: Americans would no longer be receiving their Social Security checks as early as 2021, something they rely on.

It is this committee's jurisdiction and responsibility to ensure Social Security is sustainably solvent. The President's actions and statements have created the urgency

to have this hearing today.

Social Security was the signature plan of President Roosevelt that lifted Americans out of depression, provided them with financial security, and remains the number-one anti-poverty program in America. It does so by providing our citizens with the dignity they deserve and have paid for throughout their lives.

As our beloved colleague John Lewis pointed out, Social Security is also a civil rights issue.

As chair of this committee, I have made it my goal to educate Americans that Social Security is not a government handout and it is not an entitlement. It is an earned benefit that they have paid for.

It is easily verified by looking at their pay stub, where it says "FICA," as you see in the sign behind me, which stands for "Federal Insurance Contribution Act." Whose contribution? Theirs.

No American should be fooled or led to believe this is a tax. It is an earned benefit, a contribution by employee and employer. The employer gets a tax write-off. The employee gets an earned benefit.

And as Americans know, this isn't just a pension but also spousal, dependent children, survivor, and disability coverage.

We don't have to go back to the Great Depression in 1929 to review the history and the impact of Social Security. We only have to go back to 2008 and 2009, when people witnessed firsthand and saw their 401(k)s become 101(k)s. As economists at the Federal Reserve found, the bottom 90 percent of working Americans have not recovered their wealth and assets that they lost in the recession.

During that same time period, Social Security never missed a payment. Not a pension, spousal, dependent child, or disability benefit was missed.

This is what unites us. Presidents, both Democratic and Republican, have understood the importance of Social Security. Presidents Eisenhower and Reagan worked to enhance and secure Social Security, not terminate it, for every hour our citizens have worked making contributions to their insurance plan reflects the self-reliance and dignity of this program.

This is a vital compact between citizens and government. It is a sacred trust they have come to rely on. It is their Social Security.

Now, in the midst of a pandemic, we are facing a historic recession, with 30 million people unemployed, and more Americans are relying on Social Security than ever before. Americans are suffering. Millions are facing evictions, can't feed their families, have lost their jobs. More than 200,000 have already died.

This is not the time -- this is not the time -- to terminate payroll taxes and defund Social Security. It is hard to imagine a time that could be worse.

This is what our hearing is about today. Bottom line: Whether well-intended or ill-informed, we are here today to clearly state, "Don't mess with our Social Security."

We will discuss two bills today to block the President from doing just that, whether we use the Congressional Review Act or simple legislation to make his executive action null and void.

During a congressional hearing, Americans want to see things put straightforward in common sense and plain language. Therefore, I would like to submit for the record statements from Republican Senators who I commend for coming out against the payroll tax. You will see on the poster -- I will spare the reading of these quotes from Senators Grassley, Thune, and Collins but would like to submit them for the record.

[\[The information follows:\]](#)

Chairman Larson. I would also like to note for the record that Ranking Member Kevin Brady has a bill too. On one hand, I commend Ranking Member Brady for wanting to provide relief to Americans. But it is wrongheaded to take it from Social Security.

And, by the way, the HEROES Act, which would have provided twice as much relief to a family of four and single mothers, we passed back in May. Many witnesses will address his bill, but I want to submit for the record a chart that contrasts the HEROES Act and the Brady bill, which the House took up, as I said, back in May and the Senate has yet to take up.

[\[The information follows:\]](#)

Chairman Larson. I would like also to submit for the record the following: a letter from Representative Kennedy and 145 other Democrats in opposition to the President's payroll tax action; a letter from Don Beyer and 18 members of this committee about the impact on Federal employees; and a letter from Representative Spanberger, as well, concerning military veterans impacted by this as well; a letter from the United States Chamber of Commerce; and a letter from the Chamber and 30 trade associations opposing the impact that this executive order would have on businesses.

[\[The information follows:\]](#)

Chairman Larson. I would also like to thank the AARP and the Paralyzed Veterans of America and AFGE for their endorsement and submit for the record their letters of support, along with more than 100 organizations endorsing legislation to overturn the payroll tax deferral; quotes from business leaders, opinion writers, and advocates and experts opposing the payroll tax deferral and the President's statements that he will terminate payroll taxes.

[\[The information follows:\]](#)

Chairman Larson. I am also submitting polling data showing overwhelming bipartisan support of the American people for Social Security as an earned benefit program and opposing benefit cuts; a letter from the Social Security Actuary stating that terminating payroll taxes would end disability benefits in 2021 and all benefits by 2023; a memorandum from the Center for Progress outlining 14 times President Trump has stated he will cut or defund Social Security; a letter from the descendants of New Dealers responding to erroneous reporting about Social Security; a letter from the Leadership Council of Aging Organizations, a coalition of 69 national, not-for-profit organizations concerned with the well-being of America's older population, who are also endorsing the Save Our Social Security Now Act.

[\[The information follows:\]](#)

Chairman Larson. And, with that, I will recognize my good friend, the distinguished Republican leader, Tom Reed.

[\[The statement of Chairman Larson follows:\]](#)

Mr. Reed. Thank you, Mr. Chairman.

Mr. Chairman, I thought we would never stoop to this level in this chamber, in this committee room, to what is going to happen here today.

You are making an accusation against the Republican Party and the President of the United States that is false. We are not here as a party to terminate Social Security. The President is not defunding Social Security.

Let us be very clear about the hypocrisy that is on display here today. President Obama, after the 2008 collapse, supported a deferral of payroll tax that was enacted by this Congress and that was carried forward. What President Trump did is he deferred the payroll taxes by executive order so that people would have access to some of their cash.

We have not been able to come to a bipartisan agreement to provide additional relief to folks back home who are suffering. And what we are hearing today is that what President Trump and what the Republican Party wants to do is to terminate Social Security.

You know and I know that The Washington Post has issued four Pinocchios on this claim. Four Pinocchios is essentially The Washington Post's declaration that this is a falsehood.

And what we should not be doing is scaring our American seniors at a time when we are dealing with a pandemic that is taking their lives at an alarming rate. We should be coming together as Republicans and Democrats to take on the immediate crisis that is facing them today.

Today, we have a witness on our panel that is going to talk about the loss of her parents during this crisis and the nursing home crisis in New York State. That is the

alarming crisis that we face.

But yet we are in the political season. We are in the silly season. So, now, what we are engaging in here in this committee room, this sacred committee room, where serious legislators have serious debates on the serious policy issues facing America, and we are engaging in political theater to engage in the Presidential politics of the day on something that has been declared by even The Washington Post to have received four Pinocchios, which is the ultimate lie factor that they have declared.

We must dedicate our energy in this committee room to finding real solutions for the American people. You know and I know that we are committed to protecting Social Security. And when the President issued those words, I believe what he was intending is saying that, when the deferral under his executive order needs to be addressed, that Social Security Trust Funds would be taken care of, that we would do what we did after 2008 and make sure the Trust Funds were made whole by transferring from the General Fund to the Trust Funds those dollars that were going to the people's pocket as a result of the action that was taken.

So I urge my colleagues, don't engage in this political circus. Don't engage in this theater. Don't scare our seniors today. They have been scared enough. We don't need to do this. We don't need to do this to them. We believe in Social Security.

You know I was raised on a Social Security check. You know that I am committed to it. You know that my mom had to raise 11 kids as a single mother when her husband died when I was 2. And to suggest, because I wear the Republican brand as my political party, that what my mission in life is to do is to terminate Social Security so that people and seniors will die and not have access to Social Security is patently offensive to me, personally.

We want to work with you. We don't want to engage in this political theater.

This is just pure fear-mongering, playing to the political election cycle of 2020.

So I encourage you, don't do this. Don't engage in politics all the time. And I would encourage you to work with us as you always have done in the past, and let's fix this so Social Security will be here for generations to come.

I yield back.

[\[The statement of Mr. Reed follows:\]](#)

Chairman Larson. Thank you, Mr. Reed.

Without objection, all members' opening statements will be made part of the record.

Chairman Larson. There are votes on the floor now. We will continue with our hearing, and members should go and vote when their group is up, as you know, again, that we do with regard and respect to our concern about the COVID pandemic.

And, with that, first, we are honored to have Chairman Neal participate in this hearing. And I want to thank Senator Ron Wyden for coming here today in solidarity with the chairman, who, together, lead the House Ways and Means Committee and Senate Finance Committee, both of which have jurisdiction over Social Security.

Their joint appearance underscores the united front of Democrats in the House and Senate to protect Social Security. That is why we are working together on legislation to overturn the President's executive order to defer payroll taxes.

We will then hear from a distinguished panel of colleagues from the House Ways and Means Committee: Representatives Danny Davis, Linda Sanchez, Judy Chu, and Representative Don Beyer.

I want to start by recognizing the chairman of the Committee on Ways and Means for a statement. And then I will turn to Senator Wyden, if he is able to return.

Right now, Mr. Chairman, it is an honor to have you here with us.

Chairman Neal. Thank you, Chairman Larson. And I want to thank you for holding this subcommittee hearing and for your tireless advocacy on behalf of the Social Security system.

The Ways and Means Committee has been hard at work in this Congress to ensure that Americans can retire with security and dignity. There is no question about it, Social Security is the bedrock guarantee of retirement security in this country.

For 65 million Americans who receive benefits, Social Security is more than just a check in the mail; it is, indeed, rock-solid security. It allows them to retire with dignity

after a lifetime of hard work. And Americans know they have contributed throughout their working years, and they can then count on the benefits they have earned.

But we also need always to remember that the average Social Security benefit is but \$16,000 a year. That means half of the Social Security recipients in America receive less than \$16,000.

People often think of Social Security as retirement, but it is much more than that. It provides essential disability and life insurance to younger Americans and insures both workers and families.

Like Mr. Reed, I have the same experience, having been raised on a Social Security check. And I have never forgotten to thank Franklin Roosevelt and Secretary Perkins for the vision that they offered in defense of this extraordinary achievement.

Let me also emphasize that Social Security benefits are earned benefits, based on contributions that workers make with each and every paycheck. That fundamental principle is what gives Social Security its strength, because everyone knows that they have a shared stake in the program.

And we do. Each and every one of us has a stake in Social Security, because we have paid into it. Always remember this: You can outlive an annuity; you cannot outlive Social Security.

And so, when some talk about terminating Social Security's payroll contributions, they are threatening the very existence of the program. What is more, even as they defer payroll contribution, they fail to understand that the need is most important right now in our Nation's history.

We urgently need to enact real relief that will help shore up the economic health of Americans in both the short and, indeed, long term. We can make families' lives easier by getting them another round of economic impact payments and making sure

they automatically receive that benefit as well. And for unemployed workers, reinstating and extending the \$600 Federal emergency unemployment compensation, the supplement, will allow them to afford life's most basic essentials, like food and housing.

We should accept the grim evidence that was presented by the head of the Federal Reserve Board yesterday that we need to proceed with a basis of liquidity in our system and making sure that the citizenry has enough support not only for daily sustenance but, just as importantly, to create demand. The HEROES Act, which passed the House 4 months ago, needs to be enacted.

Before I conclude, I want to comment on a related topic. In Massachusetts and a number of other States, we have a longstanding problem called the WEP. Mr. Brady and I are almost in full accord on trying to fix this challenge. It affects police officers, firefighters, teachers, and other public servants, many of them on the front lines of COVID, who have paid into Social Security for part of their careers and to a separate State or local government pension plan for part of their careers. We want to continue to work to address this problem and provide some much-needed relief to these individuals.

So thank you again to my colleague Chairman Larson for his leadership, as always, in defending Social Security. We always want to be together on defending this essential program.

Thank you, Mr. Larson, for calling the hearing.

[\[The statement of Chairman Neal follows:\]](#)

Chairman Larson. Thank you, Mr. Chairman.

Senator Wyden was here with us but had to run to the other side of the Capitol. Without objection, his testimony will be included as part of the record. And we want to thank him again for his willingness to appear before the subcommittee.

[\[The statement of Senator Wyden follows:\]](#)

Mr. Reed. Mr. Chairman?

Chairman Larson. Yes.

Mr. Reed. In regards to Senator Wyden's testimony, I was going to seek unanimous consent, since it is now being offered into the record, that the letter exchanged between Chairman Grassley and Ranking Member Brady with the Chief Actuary -- Senator Wyden's testimony referred to that exchange -- that the Chief Actuary confirmed that what Senator Wyden is referring to in his testimony is a hypothetical proposal, nonexistent piece of legislation that no one -- no Member of Congress, no Member of the Senate -- has actually proposed.

And I just would seek unanimous consent to include in the record that letter exchange between Chairman Grassley and Ranking Member Brady with the Chief Actuary.

Chairman Larson. Without objection, so ordered.

[\[The information follows:\]](#)

[\[The information follows:\]](#)

Chairman Larson. I would also like to include as a statement for the record letters from James Roosevelt, Jr., grandson of Franklin Delano Roosevelt; Tomlin Perkins Coggeshall, grandson of FDR's Secretary of Labor, Frances Perkins; Henry Scott Wallace, grandson of FDR's Secretary of Agriculture and Vice President Henry A. Wallace, who served on Perkins' committee; and June Hopkins, granddaughter of Harry Hopkins, FDR's Secretary of Congress, who served on Perkins' committee, who submitted a letter and directly challenged The Washington Post's four Pinocchios with regard to the Trump action.

[\[The information follows:\]](#)

Mr. Reed. And, actually, Mr. Chairman, I was going to seek unanimous consent to enter into the record that actual Washington Post fact-check article from September 4 that gave the claims that there -- was of the hypothetical proposal, that we were terminating Social Security, destroying Social Security, as you can see on the easel behind me, into the record.

Chairman Larson. Without objection, so ordered.

[\[The information follows:\]](#)

Mr. Reed. Thank you.

Chairman Larson. As well, the statements of these descendants of the New Dealers who brought this to fruition.

Mr. Reed. Thanks, Mr. Chairman.

Chairman Larson. The chair would now recognize Dan Davis.

**STATEMENT OF THE HON. DANNY K. DAVIS, A REPRESENTATIVE IN CONGRESS FROM
THE STATE OF ILLINOIS**

Mr. Davis. Thank you, Mr. Chairman, members of the subcommittee, Chairman Neal. I thank you for the opportunity to testify at this hearing.

Social Security is a low-cost, high-quality retirement program with a progressive benefit formula that helps mitigate the economic inequities of lower wages, higher unemployment, and limited access to workplace retirement plans experienced disproportionately by workers of color.

It also offers amazing life and disability insurance programs that provide substantial benefits at far lower rates than any private plan.

African Americans experience lower wages, higher unemployment, limited offers of workplace retirement plans, and poor access to quality healthcare, food, and education, all of which contribute to higher rates of disability and premature death, leaving Black children more likely to live with grandparents than their peers.

I see the lives cut short by poverty and racial health disparities firsthand. In my district, if one rides the train from within the Chicago Loop just seven stops west to Garfield Park, the life expectancy plummets from age 85 to under 69. When a parent dies or is disabled, his or her children benefit from Social Security survivor or disability benefits -- benefits that the parents earned.

My district has one of the highest rates of grandparents raising grandchildren in the country, so I know how critical Social Security is to keeping retirees and young children out of poverty. I see the tears of relief when people learn that the payments made to Social Security from decades of paychecks can provide the help they so

desperately need -- insurance they could never have afforded otherwise.

Maya Angelou once said, and I quote, "When someone shows you who they are, believe them the first time." President Trump has said at least half a dozen times that he intends to terminate payroll taxes. I wholeheartedly oppose Mr. Trump's executive action deferring payroll taxes and his stated plans to permanently terminate payroll taxes altogether.

We must believe what he says the first time and pass H.R. 8171 and H.J. Res. 94 to block the administration's unilateral payroll tax deferral. Social Security is too fundamental to the fabric of our Nation to do otherwise.

So I thank the chairman for holding this hearing today.

At the time of his assassination, Dr. Martin Luther King was focusing the civil rights movement on economic justice and the opportunity gap that exists in this country.

So, Mr. Chairman, I share your view that a strong Social Security system is a civil rights issue, because it addresses the structural barriers that keep groups of Americans poor.

I thank you for the opportunity to testify and yield back the balance of my time.

[\[The statement of Mr. Davis follows:\]](#)

Chairman Larson. I thank the gentleman. And I thank him and Ms. Sanchez, Ms. Chu, and Mr. Beyer, who are part of the second panel.

We have just received word also from Senator Wyden that he went back to the floor, but we are hoping that we might be able to get him to testify remotely. And if we can work that through, that will take place.

But now I would like to recognize Ms. Sanchez.

**STATEMENT OF THE HON. LINDA SANCHEZ, A REPRESENTATIVE IN CONGRESS FROM
THE STATE OF CALIFORNIA**

Ms. Sanchez. Thank you, Chairman Larson, for holding this critical hearing.

The COVID-19 pandemic has hurt every community in our country, but it has hit some far harder than others. While we may all be weathering the same storm, we are certainly not all in the same boat.

Latinx families have been stretched beyond our limits. The essential labor force is disproportionately made up of Latinx workers. They don't have the option of working from home. Latinx workers keep our hospitals, nursing homes, sanitation services, transportation, and our food supply chain functioning. They do all of this while managing higher rates of preexisting conditions that make them more susceptible to contracting COVID-19.

Essential Latinx workers must put themselves in harm's way on a daily basis while the rest of our community is hurting from higher rates of layoffs and reduced wages, and that is because Latinx workers also make up a disproportionate share of the labor force in industries that are most affected by the pandemic.

And the countless Latinx workers in higher-wage sectors still face pay disparities that result in lower lifetime earnings than their White counterparts. As a result, every Latinx worker's contribution to Social Security is all the more critical for their retirement.

Families need real help, and they need it now. Instead, all they got was a cut to their unemployment benefits and a payroll tax deferral that nobody asked for.

If it weren't a matter of life and death, deferring taxes on nonexistent or sharply reduced wages would be laughable. What good is a payroll tax cut when you don't have

the ability to earn a paycheck?

There are countless more effective ways we can help families right now, and we can do so without undermining Social Security's dedicated revenue stream.

A good place to start would be extending the full \$600 Federal unemployment benefit. And we should give families additional economic impact payments so that they can keep their heads above water. We passed this assistance in the House more than 4 months ago.

Instead, my colleagues' proposal is to legitimize the President's dangerous payroll tax deferral. It would be the first step towards doing away with Social Security's dedicated funding altogether. How do we know? Because the President has said he wants to eliminate the payroll tax numerous times.

Doing so would cut off benefits in just a few years and undermine the central tenet of Social Security: Social Security is not an entitlement. It is not a handout. It is an earned benefit that every worker pays into. It is a sacred trust that workers make to their future selves.

For the 75 percent of Latinx retirees that depend on Social Security for the majority, if not all, of their retirement income, maintaining that trust is a matter of survival.

Let's be honest with ourselves and with our constituents. Wishful thinking will not end this pandemic. We can't pretend like it is over; it still is very much raging on.

But we can get real relief to families immediately if we stop living in denial and deal with the magnitude of this crisis honestly and with our eyes wide open. We did it before when we passed the CARES Act, and we can do it again.

I urge my colleagues not to bury their heads in the sand with wishful thinking. We must provide the relief that American families so desperately need and that Latino

families disproportionately need.

Thank you, Mr. Chairman, and I yield back the balance of my time.

[\[The statement of Ms. Sanchez follows:\]](#)

Chairman Larson. I thank the gentlelady from California for her testimony and now recognize another distinguished Californian.

Ms. Chu, you are recognized, albeit virtually and remotely.

**STATEMENT OF THE HON. JUDY CHU, A REPRESENTATIVE IN CONGRESS FROM THE
STATE OF CALIFORNIA**

Ms. Chu. Well, thank you. Thank you, Chair Larson and Chair Neal, Ranking Member Brady, Subcommittee Ranking Member Reed, for inviting me to speak at this very important and critical hearing today.

Today, we are in the midst of an unprecedented pandemic and economic crisis, yet President Trump is using this crisis to call for terminating the payroll tax, which funds Social Security. This is the wrong approach.

According to the Social Security Administration Actuary, eliminating payroll taxes, as the President has called for doing, would essentially destroy the Social Security system in just a few years.

The President should instead sign into law the HEROES Act, which would extend unemployment benefits and provide another round of stimulus checks to Americans who are still suffering as a result of this pandemic.

Now, I am chair of the Congressional Asian Pacific American Caucus, and I can say that Asian Americans and Pacific Islanders are undoubtedly going to feel the pain of this misguided policy. In fact, despite the "model minority" myth, older AAPIs are the group most reliant on Social Security.

According to the National Coalition for Asian Pacific American Community

Development, during the last recession, the poverty rate increased 40 percent for Asian-American seniors and an astonishing 191 percent for Pacific Islanders. This is because AAPIs often take lower-paying jobs due to their immigration status and language skills, which means that they do not have any savings when it is time for them to retire. In 2015, annual household incomes for Chinese, Vietnamese, and Korean seniors were all below \$28,000, nearly \$6,000 less per month than the national average.

Asian Americans are also less likely to receive pensions from their employers, and 53 percent rely on Social Security for almost all of their income. In addition, more than half of AAPIs with disabilities rely on Social Security Disability Insurance for 75 percent of their income.

The AAPI population contributes billions of dollars into the Social Security system and deserve to receive this benefit that they have earned over their lifetimes.

Additionally, I want to draw the committee's attention to how important Social Security benefits are for women. We have already seen the disproportionate impact that this pandemic is having on women, many of whom have had to drop out of the workforce either because of job loss or family obligations, meaning they are earning less during this time.

Women generally have longer life expectancies than men and, on average, earn less than men do over the course of their careers. As a result, 55 percent of women over the age of 65 rely on Social Security for more than half their income, and 27 percent rely on it for more than 90 percent of their income. Therefore, they tend to rely more on Social Security benefits in retirement.

We need to ensure that seniors and future generations can retire and that the Social Security system can support future generations of Americans. I am proud to be a cosponsor of H.R. 8171, the Save Our Social Security Now Act, and House Resolution 94 to

overturn the Trump deferral of payroll taxes.

I thank Chairman Neal and Subcommittee Chair Larson for their leadership on this issue, and I yield back.

[\[The statement of Ms. Chu follows:\]](#)

Chairman Larson. Thank you, Ms. Chu.

And we would now like to recognize the gentleman from Virginia, Mr. Beyer.

**STATEMENT OF THE HON. DON BEYER, A REPRESENTATIVE IN CONGRESS FROM THE
STATE OF VIRGINIA**

Mr. Beyer. Mr. Chairman, thank you very much, and thank you, Chairman Larson and Ranking Member Reed, for having this hearing and for allowing me to offer witness testimony.

I have the privilege of representing northern Virginia, which is home to the highest concentration of Federal workers in the country as well as the Pentagon and many other major military installations.

President Trump's tax deferral, which is mandatory for Federal employees and military servicemembers, has put many of my constituents in a difficult position. In the short run, they will see more money in their paychecks at a time when that need is keenly felt, and many will be tempted to spend it. But, under current law, they have to repay that money through double taxation beginning in January.

Soldiers and Federal workers have written to me saying that the guidance they have been provided by their branches or agencies has been confusing and/or misleading. One, an Army captain, expressed concerns that many of those who serve under him may not realize or prepare for the significant cut to their paychecks which President Trump has set them up to receive in January.

He wrote, and I quote:

"Dear Representative Beyer, I am currently serving as an officer in the U.S. Army.

Interacting daily with soldiers is part of my job. Nothing in my life means more to me than the well-being of these young men and women.

"The current administration has implemented a payroll tax deferral for all Federal employees as part of its COVID-19 economic stimulus. However, this money is also required to be paid back in its entirety from January to April of 2021. Otherwise, employees will incur additional fees.

"Recently, it was announced that members of the military will not have the option to opt out of this program, and the payroll tax deferral will automatically be added to paychecks for the month of September 2020 and will be expected to be paid back starting in January, resulting in approximately a 10-percent reduction of pay from January to April 2021.

"This is where my urgent concern lies. Awareness of this cash windfall and later requirements have not been effectively broadcast to any level of the military. These include the young soldiers, sailors, airmen, Marines, and Coast Guardsmen who are still learning financial responsibility. Many of these men and women are fresh out of high school and earning the first paychecks of their lives. This sudden influx of money, unexplained, will likely be spent very quickly by many of them with little regard for later consequences.

"Many of the soldiers within the ranks live paycheck to paycheck, and if they are not aware that all this money must be paid back next year, it could be ruinous to their financial health. If no action is taken to address this problem, numerous members of the military will be stricken with deductions from their paychecks next year that will cause unnecessary suffering and hardship.

"As servicemembers have their incomes reduced as a result of the IRS recouping the tax-deferred pay, many will struggle to make payments on vehicles, families will

struggle to pay rent and buy food, and the men and women who volunteered to serve their Nation will find themselves unable to provide for themselves and their loved ones.

"If servicemembers do not immediately set aside the entirety of their tax deferral this month, they place themselves at risk of not being able to make ends meet next year. But no official information about this policy has been broadcast to servicemembers, meaning many in the military will spend this money without thinking and be affected later with financial hardship.

"The decision to not allow members of the military to opt out of this deferral was also reckless and shows significant shortsightedness on the part of the country's leadership. The deferral could still be delayed with rapid action, and there could be added an option to opt out.

"The well-being of the men and women defending our Nation has always been an issue that Members of Congress can agree upon. I wish the same will happen now."

Listen to that.

And he is not alone in reaching out to me. Many, many Federal employees and military officers, military enlisted men and women have called my office.

The simple fact is that President Trump does not have the legal authority to deliver the permanent deferral of these taxes.

Also, some of the ways President Trump has proposed making this policy permanent would have the added effect of depleting the Social Security Trust Fund that my constituents need and deserve. This is smoke and mirrors that could easily do more harm than good.

And it isn't just that the President is using the civil service and the United States military as political pawns. By explicitly tying forgiveness of these deferred taxes to his reelection, President Trump is making it clear that the intent of the policy is

fundamentally corrupt.

Congress should void this policy entirely before Trump can use it to do further harm to government workers and Social Security. And as it explores the means to do so, Federal workers and military servicemembers should be allowed to opt out.

I would note that the business community and private sector objected strenuously to the payroll tax deferral as unfair, unworkable, unwise, and were allowed the option of not participating, which nearly all of them have chosen. Federal workers and members of the military deserve the same courtesy and respect from the Federal Government.

Mr. Chairman, thank you for allowing me the opportunity to testify today. Thank you for your steadfast, legendary advocacy on behalf of Social Security. And thank you for representing the voices of our military servicemembers on how Trump's executive order affects them.

I yield back.

[\[The statement of Mr. Beyer follows:\]](#)

Chairman Larson. I thank the gentleman from Virginia, Mr. Beyer.

And, as customary, we will excuse our Members, witnesses, and move to our final panel.

I would just note that we are going to make an attempt to try to have Senator Wyden testify, if possible. He will do so remotely. And we will try to fit that in as we go forward.

But, now, we turn to our panel of outside witnesses. We have a distinguished panel here with us today to discuss the importance of maintaining the Social Security payroll tax contributions and the shortsightedness of the President's deferral.

With us today will be Amy Matsui with the National Women's Law Center, who will talk about its importance to women, especially women of color.

Will Goodwin, a West Point veteran himself, representing VoteVets, will tell us how this threatens financial security for Active Duty military and veterans alike.

Robert Roach, with the Alliance for Retired Americans, will focus on the impact on retirees, who receive no benefit at all from the President's plan.

And then Nancy Altman, with Social Security Works, and Max Richtman, also with the National Committee to Preserve Social Security and Medicare, who are experts on Social Security and Medicare, I look forward to hearing their testimony.

We also have with us Janice Dean, a well-known meteorologist from Fox News, who has very personal testimony to share with us as well.

We will proceed in the following order. But, before we do, we have been joined by Senator Wyden, so I would pause our experts and go forward and have the Senator from Oregon come and testify.

First, Senator, we would like to acknowledge, before you testify, the horrific

circumstances that citizens on the West Coast, in California and Oregon and Washington State, are experiencing, and know firsthand of your dedication and work with our members.

Earl Blumenauer was to be here to introduce you, but he is on the floor voting, and you have just come back from the floor, and duty does beckon.

But we are indeed honored to have the Democratic leader of the Finance Committee of the Senate here to testify before us. And, without further ado, the Honorable Senator Wyden from Oregon.

STATEMENT OF THE HON. RON WYDEN, A SENATOR FROM THE STATE OF OREGON

Senator Wyden. Thank you very much, Mr. Chairman. I also want to thank my colleagues on the other side of the aisle for the courtesy. In all my years in public service -- this is why I was called away -- I have never had a situation where a member of the other party got up to ask unanimous consent to throw in the garbage can a law that I and our former colleague, Chris Cox of California, wrote with respect to technology. And we were given no notice. So I just had to go over there, and suffice it to say, there were spirited words.

Mr. Chairman -- and I am so sorry our friend Congressman Blumenauer had to go. We all have just, kind of, one plane.

I was co-director of the Oregon Gray Panthers years ago, the senior citizens group, for about 7 years. Those were the days when I had a full head of hair and rugged good looks and that kind of thing. And so I have always felt that Social Security is a lifeline.

And particularly when you think of the elderly widows, who every month are balancing on an economic tightrope, trying to balance the food bill against the rent bill and the rent bill against paying for out-of-pocket medical that Medicare doesn't cover, you get a sense of what the stakes are here.

And I will tell you, I have seen a fair amount in my time in public service, like you, but nothing really can compare to a billionaire President announcing from the ballroom of his private golf club to a Nation enduring mass death and economic collapse that his big rescue plan is to steal from Social Security. And it was Saturday, August 8. The President, I guess, had just gotten off the links. What a scene for history.

The specific policy the President proposed was payroll tax deferral through 2020.

Earlier this year, he campaigned for a payroll tax holiday, but I also noted and was very pleased that you put up, Mr. Chairman, the quotes from senior Republican Senators opposing that particular idea.

Now, at best, what the President is talking about comes down to shifting people's tax payments around instead of giving them the needed financial support. I guess this is the kind of sleight of hand you are involved in if you are a real estate mogul who probably has been stiffing contractors for money that they were owed.

The proposal to sell people their own money, essentially as a deferral, still leaves everybody with the fact that the debt comes due in 2021, when those people would be hit with an additional tax bill. That, of course, is why so many employers from sea to shining sea are not taking Donald Trump up on this dud of a proposal.

Now, a tax deferral does juice people's paychecks for a few months. I will acknowledge that. But the President made it clear in his ballroom speech that he doesn't want to stop with a temporary deferral. He said, if I am victorious on November 3, I am going to forgive these taxes and make permanent cuts to the payroll tax.

With a permanent payroll tax cut, the President revealed that what he is really talking about is a permanent cut in Social Security funding.

It wasn't just a misquote. He doubled down on it a few days later. During an August 10 press conference, he said, if he won, his goal, and I quote, is terminating -- terminating -- Social Security funding source.

Now, according to the Chief Actuary of Social Security, if Congress were to go along with the plan to eliminate payroll taxes, you would exhaust traditional Social Security benefits by the middle of 2023; you would exhaust disability benefits by the middle of 2021.

So what the President is talking about is going to endanger vulnerable people,

people who are on Social Security right now, and certainly anybody else who is looking at signing up soon.

Now, in the aftermath of the President basically blurting out this idea to devastate Social Security, they have all been trying, in the administration, to walk it back, clean it up, offer a different story. "It is not really what he said; it is really this." They want the American people to believe Donald Trump and Republicans pose no danger to Social Security.

I would just ask colleagues to look at their credibility on the issue. In 2016, Donald Trump said he would never cut Medicaid, another bedrock safety-net program tens of millions of Americans rely on every day. In 2017, he turned around and tried to cut it by \$800 billion. If you can't trust him on cuts to Medicaid, how can you trust him on Social Security?

When I say that Donald Trump wants Social Security cuts, you don't have to take my word for it. Each Trump budget proposal proposed billions in cuts in Social Security. These were Trump budget proposals.

He also said earlier this year, when he was asked in Davos, Switzerland -- not the place that I think people typically go to talk about the rights of people of modest income. He was asked in Davos whether he would cut programs like Medicare, Medicaid, and Social Security, and Donald Trump said yes.

A few months later, he was asked in a Fox News townhall about the same programs -- Medicare, Medicaid, Social Security -- and he said, "We will be cutting," quote, "Oh, we will be cutting." So that sure looks to me like he is a big danger to the Social Security benefits of Americans.

Now, I am sure that you are going to hear, over the course of this, some rhetorical acrobatics today denying that is the case, stuff that sounds like administration officials

again are, as I indicated, scurrying around, trying to clean up the administration's messes.

But if Donald Trump doesn't want to cut Social Security, then why does he keep saying he does? He said it in Davos. He said it on Fox News. He said it in his private golf club ballroom when he announced his plan to bankrupt Social Security's trust fund. I think Americans ought to take him at his word.

Mr. Chairman, again, I want to thank you for the courtesy of being able to have this unorthodox kind of process where you have been kind enough to invite me. And because of my background with the Gray Panthers, I so appreciate what you are trying to do.

And in my jumping off, I see our friend from New Jersey, Congressman Pascrell, another great senior advocate.

And, by the way, I didn't get to hear from Congressman Reed, but he and I have had some very good talks on a couple of other subjects, including energy. I think we disagree on this one, but that is the nature of the way you have debate in civil society.

So I very much appreciate your courtesy, Mr. Chairman, and look forward to working with all of you in a variety of areas.

Thank you.

[\[The statement of Senator Wyden follows:\]](#)

Chairman Larson. Well, thank you again, Senator. And, again, our hearts go out to you and everyone in Oregon for all you are enduring with these fires. And, speaking of gymnastics, we appreciate your artful ability to get from the House to the Senate and back again and take time from your busy schedule to deliver your very poignant remarks.

I will recognize Tom Reed.

Mr. Reed. And, Mr. Chairman, I do appreciate the Senator. We have had a very good working relationship, and I do enjoy it. And when we disagree, we disagree respectfully.

So thank you, Senator. And our thoughts go with you to your great State.

Chairman Larson. Thank you, Senator.

And we had identified our other expert witnesses who will be testifying. They will go in this order: Nancy Altman, president of Social Security Works; Mr. Will Goodwin, the director of government relations for VoteVets; Ms. Amy Matsui, the director of income security and senior counsel to the National Women's Law Center; Ms. Janice Dean of New York, meteorologist with Fox News; Max Richtman, the president and CEO of the National Committee to Preserve Social Security and Medicare; and Mr. Robert Roach, Jr., president of the Alliance for Retired Americans.

Each of your statements will be made part of the record in its entirety. I would ask that you summarize your testimony in 5 minutes or less. To help you with that time, you will see a timing clock on your screen counting down your 5 minutes. Please remember to unmute yourself before you begin to speak and mute again after you finish.

With that, I will recognize Nancy Altman.

RPTR GIORDANO

EDTR CRYSTAL

[2:01 p.m.]

Ms. Altman. Thank you, Mr. Chairman.

And I think I am unmuted. Is that correct? Can you hear me? Mr. Chairman,
am I -- can you hear me? Am I unmuted?

Chairman Larson. We can hear you.

Ms. Altman. Okay. Great. Thank you.

Chairman Larson. Thank you.

STATEMENT OF NANCY J. ALTMAN, PRESIDENT OF SOCIAL SECURITY WORKS

Ms. Altman. Chairman Larson, Ranking Member Reed, members of the committee, thank you for holding this vitally important hearing, "Save Our Social Security Now."

Terminating Social Security's dedicated revenue would end Social Security as we know it. Even a temporary halt is a serious threat since taxes are easy to cut but hard to restore. It is a threat even if general revenue is substituted.

So-called payroll taxes are not like other taxes. They are insurance contributions mandated by the Federal Insurance Contributions Act. They are core to Social Security's mission.

Some imply that Social Security is a government handout. It is not. Social Security is an earned benefit. It is self-help. Workers must work and pay premiums for many years to qualify for even a penny of benefits.

President Eisenhower may have explained it best. Quote: "Retirement systems by which individuals contribute to their own security are but a reflection of the American heritage of sturdy self-reliance which has made our country strong and kept it free. The Social Security program furnishes on a national scale the opportunity for our citizens, through that same self-reliance, to build the foundation for their security," unquote.

Substituting general revenue for those premiums breaks the link between contributions and benefits. It threatens the self-help, earned-benefit nature of Social Security.

And it threatens Social Security in another way. Social Security does not add a penny to the deficit and so cannot be changed through reconciliation. In light of today's

unprecedented deficits, this is more important than ever.

In 2011 and 2012, when Republicans refused to extend the Making Work Pay tax credit, Democrats agreed to a 2 percentage point FICA cut. Social Security Works and other Social Security advocates strongly objected at the time, writing op-eds, letters to Congress, making calls. But we were unsuccessful.

We worked hard to ensure that the cut expired. Neither I, nor my colleagues want to battle that again. Tax cuts are notoriously hard to end, and today's is three times larger.

The cut is being justified as it was then, to stimulate the economy, but it is a poor way to do that. It is slow and badly targeted. It provides nothing to millions of State and local workers not covered by Social Security, nothing to almost half of our public school teachers, nothing to two out of three of our police officers, nothing to two out of three of our firefighters.

It delivers the most to those who are higher paid. It provides nothing to the millions who are unemployed. It provides just an additional 45 cents an hour to a minimum wage worker, but an equal-earning couple making a combined \$275,000 would get almost \$5,700.

In sharp contrast, the Heroes Act payments are immediate and well targeted. My written statement includes a chart comparing the two approaches. Substituting general revenue has a very large price tag, \$137 billion. That money could pay for important Social Security reforms that improve, don't threaten Social Security.

My statement includes another chart comparing that \$137 billion to the cost of those improvements.

A recent poll has found that a whopping 71 percent oppose deferring or eliminating FICA. Only 17 percent support it. They know it is a Trojan horse. It

appears to be a gift in the form of tax relief, but will destroy our economic security.

Thank you to the five members of this subcommittee who have cosponsored the Save Our Social Security Now Act. I urge the rest of you to cosponsor it while also advising President Trump to rescind his unprecedented, unilateral, destructive action.

Thank you.

[The statement of Ms. Altman follows:]

Chairman Larson. Mr. Will Goodwin, the director of government relations for VoteVets, and we welcome him today.

Mr. Goodwin.

**STATEMENT OF WILL GOODWIN, U.S. ARMY VETERAN AND THE DIRECTOR OF
GOVERNMENT RELATIONS FOR VOTEVETS**

Mr. Goodwin. Chairman Larson and Ranking Member Reed, thank you for providing me the opportunity to elevate the voices of our more than 700,000 VoteVets supporters who represent just one of the communities with a clear stake in today's discussion. And, yes, they need economic relief as we grapple with COVID-19.

But President Trump's tax deferral is the wrong answer to Active-Duty military families and to veterans who are serving in the Federal workforce. And it is a wrong answer that will yield grossly irresponsible consequences for the more than 9 million veterans who have earned and now receive their Social Security.

For years now, the highest levels of the U.S. military have told Congress and the public that financial literacy amongst members of the military is a challenge and a matter of military readiness and national security. And it is exponentially complicated by the reality that our troops are relentlessly targeted by payday lenders and for-profit colleges.

Forcing this payroll tax decision on that same U.S. military would do real harm and does not allow time for the deliberate policy and planning practices that help educate and mitigate the impacts of a decision like this on the rank and file.

There will be servicemembers who see extra money in their bank accounts but do not understand that they will see less in their accounts come January. The advice from

military publications and outside groups has been don't spend the money, just hold it. The Sergeant Major of the Army himself tweeted, quote: "Be prepared to repay your payroll tax deferral. Check your LES this month and set the," quote, "extra money aside," end quote.

That is not real relief, and it is certainly not how the greatest military on Earth should be forced to educate its personnel.

There are military families who will need money to meet obligations in the immediate future, families in which civilian spouses have lost jobs during the pandemic and, like millions of others, are adjusting to a new economic reality.

These families own homes, have student debt, and must make car payments. And if they use this payroll tax deferral to survive these next few months instead of receiving real relief, they will be forced to foot the bill come January, even if that means having to take on additional debt from vicious predatory lenders.

We know from reporting that in the corporate world, where employers have the decision to exercise when it comes to this payroll tax deferral, many are choosing not to do so because it is not right for them or their employees. But when it comes to our Armed Forces, the military service chiefs and leaders down the chain of command do not have that same freedom.

I should note this policy is also not optional for the hundreds of thousands of veterans who continue to serve their country as Federal employees, comprising 31.1 percent of the entire Federal workforce.

And finally, as others have discussed in great depth, if payroll taxes are not collected, then this move will serve to defund Social Security. Forgiving these dollars now at the expense of Social Security is not a valid response to the concerns I have raised today.

President Trump has stated publicly numerous times that he plans to eliminate payroll taxes, the dedicated funding source for Social Security, altogether if he is elected to a second term. This most recent action is the first step in an effort to defund, dismantle, and destroy Social Security, and it is an affront to veterans and their families.

The importance of Social Security to veterans should come as no surprise to this subcommittee. In 2019, over 9 million Social Security beneficiaries were veterans, 19 percent of all adult beneficiaries. And for almost half of veteran beneficiaries receiving disability insurance in 2010, Social Security benefits represented three-quarters or more of their income. Without Social Security, 43 percent of veterans receiving SSDI would have fallen below the poverty line.

A policy that defunds Social Security is pitting those still in uniform and veterans in the Federal workforce against the heroes who came before them. Somewhere a young military family navigating this economic crisis will receive a minimal change in their paycheck, and if Congress doesn't pass legislation they will be forced to turn to payday lenders to make up for those dollars come January.

And if Congress does, those families will be receiving dollars at the expense of their heroes, brave men and women who served decades before them on the same basis here at home and in dangerous places around the world and, yes, who have earned their Social Security and the ability to live their retirement with dignity.

VoteVets strongly supports Chairman Larson's bills to overturn the President's actions, H.R. 8171 and H.J. Res. 94. We ask all Members of Congress to cosponsor the chairman's legislation and for the House to bring them to a vote. Veterans and military families weathering this pandemic need real economic relief, and they need it now. They need the bold, immediate relief passed in the Heroes Act 132 days ago.

Thank you.

[The statement of Mr. Goodwin follows:]

Chairman Larson. Thank you, Will.

And now we will hear from Ms. Amy Matsui.

**STATEMENT OF AMY MATSUI, DIRECTOR OF INCOME SECURITY AND SENIOR COUNSEL
AT THE NATIONAL WOMEN'S LAW CENTER**

Ms. Matsui. Chairman Larson, Ranking Member Reed, and members of the subcommittee, thank you for this opportunity to testify. My name is Amy Matsui, and I am the director of income security at the National Women's Law Center.

I would like to thank my colleagues, Kathryn Menefee and Jasmine Tucker, who assisted me in preparing my testimony.

Women, and especially women of color, face a greater risk of economic insecurity throughout their lives because our economy undervalues women's work.

Women in the U.S. who work full-time year-round are typically paid only 82 cents for every dollar paid to men, and wage gaps are even larger for Black women and Latinas. Women bear a disproportionate responsibility for caregiving and may work fewer hours or take time out of the workforce as a result. Women are more likely than men to work part time and are overrepresented in low-wage jobs.

Even before COVID-19, women were more likely than men to have incomes below the Federal poverty threshold. At the same time, more women are breadwinners than ever before, with Black women more likely than women of any other race to be the primary source of support for their families. The fact that women are typically paid less means that they must provide for their families' needs on smaller paychecks.

The COVID-19 crisis has exacerbated the economic insecurity that many women

already faced. Women, especially women of color, are overrepresented in frontline jobs, such as healthcare or childcare, and in the sectors that have suffered devastating job losses, such as retail and restaurants.

While women's overall unemployment rate dropped to just over 8 percent in August, nearly one in eight Black women and more than one in ten Latinas remained unemployed. Consistent with their higher unemployment rates, a greater share of Black non-Hispanic women and Latinas reported losing employment income between March 13th and July 21st, compared to White non-Hispanic men. Moreover, Black women and Latinas were more likely to report food and housing insecurity.

The cumulative impact of a lifetime of disparities means that women's risk of economic insecurity only increases in their older years. In 2019, the poverty rate for women 65 and older was 10 percent, compared to 7 percent for older men. Poverty rates are consistently higher for older Black, Latinx, Asian, and Native-American women.

The gender wage gap alone can cause women to lose \$400,000 over a 40-year career, with the lifetime loss of earnings for Black women totaling over \$900,000 and the lifetime earning loss for Latinas exceeding \$1 million. The pandemic will likely have additional negative long-term effects on women's lifetime incomes, wealth, and overall economic security.

As a result, it is hard to overstate how critical Social Security is to women's economic security. Social Security's progressive, lifelong, inflation-adjusted, and virtually universal benefits help mitigate the impact of women's lower lifetime earnings, longer average life span, and greater likelihood of living alone as they age. Social Security kept over 9 million older women, more than one in five of whom were women of color, out of poverty in 2017.

That is why the executive order deferring employees' payroll tax contributions is

so troubling, especially considering the President's statement that he would permanently eliminate payroll taxes if reelected. As the Chief Actuary of the Social Security Administration testified, if that were to occur, the Social Security trust fund reserves would become permanently depleted by the middle of calendar year 2023 with no ability to pay benefits thereafter.

Deferring and potentially eliminating Social Security's largest source of income will compromise the finances of this incredibly important program, yet does little for eligible workers and nothing for the millions of unemployed people who desperately need financial support during the recession.

Undermining Social Security would be harmful to everyone, especially to women, who make up more than half of beneficiaries 62 and older. This executive action threatens the foundation of a secure and dignified retirement for older women, especially older women of color, who particularly rely on Social Security. That is why the National Women's Law Center has endorsed H.R. 8171, the Save Our Social Security Now Act.

During this unprecedented economic crisis, we should appreciate the value of stable, lifetime, inflation-adjusted benefits like Social Security, not look for ways to undermine them. Instead, policymakers should provide robust relief that centers the women of color who have been deeply impacted by COVID-19 and lays the groundwork for an equitable recovery.

Thank you for the opportunity to testify today. I welcome any questions you may have.

[\[The statement of Ms. Matsui follows:\]](#)

Chairman Larson. Thank you, Ms. Matsui.

And now, Ms. Dean, if you will please begin.

STATEMENT OF JANICE DEAN, NEW YORK, NEW YORK

Ms. Dean. Thank you, Chairman Larson and Ranking Member Reed.

Today I am here to talk about a subject that is often overlooked during this pandemic: the coronavirus nursing home tragedy that took the lives of thousands of seniors, including my husband's parents.

Mickey and Dee Newman were married for 59 years and raised three children, Donna, Michael, and Sean. They lived in the same four-story walkup apartment in Brooklyn for almost six decades.

Mickey was in the U.S. Air Force before he met Dee and always talked about how proud he was of his service. He joined the Fire Department of the City of New York and served for 23 years in Engine Company 323 in Brooklyn.

Dee was a homemaker and worked part time in a dentist's office in the neighborhood for close to 20 years. She was a devoted mother and a grandmother.

With their health declining over the last few years, Mickey and Dee were both having a tough time getting up and down the stairs. We tried many times to persuade them to move to another place with easier access, but they lived in a rent-controlled building, and it was hard to convince them to give that up.

We had personal aides come to the apartment, but their health continued to decline. It was apparent that their top-floor apartment was no longer an option, so we looked into assisted living.

With Mickey's medical conditions and his dementia, it was hard to find a facility close enough, but we were directed to one that agreed to take both parents.

Dee was able to move in just before Christmas last year, but Mickey was still not well enough. He needed rehab and was in a nursing home. We prayed that one day Mickey would be well enough to join his wife, and this was the first time in their lives that they had been apart like this.

And then came COVID-19. Mickey's nursing home went into quarantine in mid-March. We could no longer visit. Shortly after the visitor lockdown, someone called to let us know Mickey was being switched to another floor so that the one he was being moved from could be dedicated to new patients.

From what I know now, I believe some of those new patients were ones recovering from COVID, thanks to a statewide mandate from Governor Andrew Cuomo.

On March 29th, Sean got a call in the late morning and was told that his dad wasn't doing well. This was the first time we had heard he was sick. He had a fever, and his breathing was labored. Three hours later, a doctor called to tell us his dad was dead.

The doctor said it was likely a result of the coronavirus. We only got confirmation when we saw it on his death certificate.

Sean had to break the news to his mom that her husband had died. It was the hardest thing he has ever done. My husband saw his mom only once after that. Sean brought her orchids, condolence cards, a few pictures of Mickey, but he could not pass the front desk.

My husband saw his mom in the lobby, standing 10 feet away with a mask on, and he told her he loved her. She started to cry before he left, and he would never see her again.

Before she died, Dee had mentioned that some workers were sick. She also said residents were going outside for newspapers and coffees without their masks on.

As family members, we were prohibited to come and see Dee for the risk of bringing the virus, but why were the people who lived there coming and going? We have asked these questions and were told they could not deny residents of going outside as they pleased, even during a pandemic.

A few days later, Dee's health went downhill. She was moved to a hospital. Sean talked to his mom the morning before nurses moved her to a different area in the hospital, and we knew that wasn't a good sign. She needed more oxygen, and her throat was hurting, and she had a cough and a fever.

During Sean's last conversation with Dee, the last thing she asked him to do was get some Easter gifts for our kids. She asked him, could he put her name on the presents?

A nurse called the next day to tell us she was in and out of consciousness and she needed more oxygen. A day later, she died.

Even though she contracted the virus in an assisted-living center, her death was not counted that way because she died in the hospital. Apparently New York is the only State that does not count the number of deaths in the hospital from patients that got coronavirus while in their elder care facilities. We still do not have the exact numbers even though the Governor and his health commissioner have been asked repeatedly to report them.

Our grief and confusion turned to anger as we learned more about how elder care homes were turned into deathtraps. Our most vulnerable loved ones could not protect themselves. Thousands of family members have lost loved ones, many who would still be here today if they were better protected at a time when they were most vulnerable.

Today, I use this forum to lend my voice to the thousands that have lost their parents and their grandparents. We need to learn from this tragedy to make sure it never happens again.

I believe there needs to be a full bipartisan outside investigation with subpoena power. We need honest answers about why there was an order to put over 6,000 COVID-positive patients into nursing homes for 46 days in this State and why there didn't need to be a test for incoming patients prior to admission or readmission.

Our Governor, Mr. Cuomo, has rejected repeated calls for an independent investigation, saying that doing so would be political. If he has nothing to hide, why would he not welcome any and all investigations with regard to the nursing home tragedy?

The death toll in our senior living facilities in New York is bigger than September 11th and Hurricane Katrina. This should not be about politics. It is about accountability for what happened to our parents and our grandparents who trusted us to look out for them.

And I thank you.

[\[The statement of Ms. Dean follows:\]](#)

Chairman Larson. I thank you, Ms. Dean. And the chair took great kindness in extending you over the time limit. But we thank you for your poignancy.

And, with that, we will recognize Mr. Richtman.

**STATEMENT OF MAX RICHTMAN, PRESIDENT AND CEO OF THE NATIONAL COMMITTEE
TO PRESERVE SOCIAL SECURITY AND MEDICARE**

Mr. Richtman. Thank you. Do hear me all right?

Chairman Larson. Yes.

Mr. Richtman. Yes. Great.

Thank you, Chairman Larson and Ranking Member Reed, for holding this important timely hearing and for helping me navigate the technology to participate, and I needed a lot of help.

Social Security benefits are financed through the payroll taxes on wages. In 2019, \$944.5 billion or 89 percent of total Old-Age and Survivors and Disability Insurance income came from payroll taxes.

Mr. Chairman, you mentioned in your opening comments that this is not a good time to defer the payroll tax. I would take this a step further. There is never a time to terminate the payroll tax.

Social Security is supported broadly by workers who pay this dedicated tax or, as the chairman has said on many occasions, a premium. It is a more accurate way to describe the FICA tax.

The relationship between earnings and benefits is a fundamental feature of the program. When Franklin Roosevelt was asked by a young economist why the program is

financed this way, FDR responded by saying, "We put those payroll contributions" -- contributions -- "in there so as to give contributors a legal, moral, and political right to collect their pensions, so no damn politician can ever scrap my Social Security program.

I suppose that FDR was a little overly optimistic. Sadly, individuals who are philosophically opposed to this popular and successful program have dreamed about undermining the earned right nature of Social Security's financing by eliminating the payroll tax.

When President Trump proposed this, I do believe his desire to boost the economy was understandable, but most participants are not participating --

Chairman Larson. Max, I am sorry. If I can --

Mr. Richtman. That is because many employers believe --

Chairman Larson. Max, if I can interrupt you. We are having a little bit of a technical problem hearing you, and we would like to come back to get your full testimony. But there is a bit of a technological snag.

So we will go to the next witness, which is Mr. Roach, while we try to attend to the problem, and then we will come back to Max Richtman.

Mr. Richtman. Thank you.

Chairman Larson. If we could recognize Mr. Roach now.

STATEMENT OF ROBERT ROACH, PRESIDENT OF THE ALLIANCE FOR RETIRED AMERICANS

Mr. Roach. Thank you, Chairman Larson, Ranking Member Reed, and members of the committee, for allowing me to speak at this important hearing entitled "Save Our Social Security Now," to discuss the detrimental impact of the President's executive action on the Social Security payroll tax.

I am Robert Roach, president of the Alliance for Retired Americans, a grassroots advocacy organization with 4.4 million members across the country. As a retiree organization, we focus on strengthening, expanding, and protecting Social Security and Medicare, the foundation of retirement security in this country.

Our members were concerned and appalled that President Trump signed an executive action in August that permits businesses to temporarily defer employees' share of the Social Security payroll tax, an act that will not help retirees, nor assist the more than 30 million unemployed Americans. This executive action will not even help workers who will need to pay double the payroll contributions next year.

The executive action is problematic for employees and employers alike. The Chamber of Commerce has expressed serious concerns because it requires businesses to implement costly and complicated systems. Most large corporations, State governments, Democrat and Republican, have chosen not to participate.

President Trump's subsequent statement to make permanent cuts to the payroll tax, if elected, is even more disturbing. The administration, on numerous occasions, has expressed plans to change the social insurance programs. The Social Security payroll tax deferral is the first step towards enacting adverse changes to the earned benefits of

working Americans. The promise to eliminate in a second President Trump's term the payroll tax would totally destroy these programs.

Social Security is an earned benefit and a sacred promise between the government and workers. By contributing through payroll taxes during a lifetime of hard work, Americans are guaranteed that the benefits will be there for them when they retire.

At no time is this sacred trust more important than during the pandemic, when seniors are faced with such uncertainty. Not only are seniors bearing the brunt of the pandemic, with 80 percent of the deaths occurring in Americans 65 and over, it is disproportionately affecting African Americans, Hispanics, and Asians who happen to live in impoverished communities.

Dr. Fauci has indicated, and Chairman Powell, about this disproportionate effect on people who are living in impoverished communities and Medicare is their only source of healthcare.

According to the Social Security Actuary, if the Social Security payroll tax were permanently terminated, the Disability Insurance Trust Fund would run out of money to pay benefits in 2021, and the Old Age and Survivors Trust Fund will follow in 2023.

Older Americans are already facing a challenging future. Fewer seniors are getting income from defined benefit pension plans or defined contribution accounts, and many are at risk of losing their pensions as a result of the numerous corporate bankruptcies that are announced daily because of the pandemic.

Also, the 2007 financial crisis and stagnant wages since then have contributed to workers not being able to save for their retirement. According to a 2018 Joint Economic Committee report, half of all Americans' retirement accounts have less than \$12,000 for retirement.

As a result, older Americans are relying more and more on Social Security. Today, 40 percent rely on Social Security as their sole source of income, again, disproportionately affecting Black Americans, Hispanic Americans, and Asian Americans.

Social Security is also an important source of revenue to the local economy. In 2020, 65 million beneficiaries will receive \$1 trillion in benefits from Social Security. These funds are spent in the local community on food, housing, healthcare, and other essential needs.

Congress must do everything in its power to protect and expand Social Security and not reduce its funding or dismantle this program. While some may say that the President's executive action to defer Social Security payment is an effort to stimulate the economy, there are much better ways to do that.

I will say to you that the Alliance for Retired Americans urges Congress to pass Congressman Larson's bills, H.J. Res. 94, a resolution of disapproval of President Trump's executive action, and the Save Our Social Security Now Act, H.R. 8171, which will bar the Treasury Department from implementing the deferral of payroll contributions.

I say God bless you, all of you, to get this work done. May God bless our country, our seniors, and the United States of America.

Thank you.

[The statement of Mr. Roach follows:]

Chairman Larson. Thank you.

And we are going to attempt to go back to Max Richtman.

And, Max, if we could ask you --

Mr. Richtman. Can you hear me now?

Chairman Larson. -- to turn off your video.

Mr. Richtman. I did that.

Chairman Larson. Okay. You sound clearer.

Mr. Richtman. Okay. Good. Well, I was about to retract my gratitude to the subcommittee staff for helping me figure out how to do this, but they came through apparently.

So you can hear me all right?

Chairman Larson. Yes, we can.

Mr. Richtman. Can you hear me? Good. So I will just pick up where I left off.

As I was saying, while President Trump's desire to boost the economy is understandable, most businesses are not participating in this deferral, and that is very simply because many employers believe there is no guarantee the deferred taxes will be forgiven. They don't want to be in a position where their employees are seeing less in take-home pay for the first 4 months of next year after they probably spent the money from the deferral of this year. And of course the IRS guidance on the payroll tax deferral is very unclear.

In addition, the payroll tax deferral is unlikely to help many of the people suffering the most from the COVID recession. Deferral does nothing to help relieve 30 million unemployed Americans because they are not receiving wages, so they are not paying payroll taxes anyway, as well as all of the other groups Nancy Altman so accurately

described. And given that most businesses are unlikely to participate, many people with jobs will not benefit either.

There are alternatives to the payroll tax deferral, or cut, which would be more effective in targeting relief. Some of them have come up in the hearing already: a one-time relief payment that can put money in the hands of taxpayers quickly, the Making Work Pay tax credit, expanding the earned income tax credit. Congress should pass another COVID relief bill finally, and this legislation should include the previous forms of targeted relief that I mentioned.

In the meantime, let's consider the consequences of this ineffective payroll tax deferral.

Next year, to prevent a significant drop created by the deferral plan in the Social Security program, President Trump says the payback of deferred payroll taxes should be forgiven.

What does that mean? It means Congress would deprive the Social Security trust fund of revenue, or foregone tax revenue, or it would replace this loss with general revenue.

Neither of these is a good option. Replacing payroll taxes with general revenue would undermine the earned right nature of the Social Security program and make it vulnerable to those who would cut benefits in the future or privatize it.

Terminating the payroll taxes altogether, as the President has called for, would be a disaster for the Social Security program and for beneficiaries.

Under the worst-case scenario, ending the payroll taxes with no reimbursement to the trust funds would permanently defund and undermine Social Security and Medicare.

As has been pointed out, the Chief Actuary of Social Security has said that by 2023, if this happened, the program would have zero -- zero -- ability to pay earned benefits.

But even if terminated payroll taxes were replaced with general revenue, retirees' benefits would be subject to the vagaries of the annual appropriations process and to future efforts to address the Federal deficit and the Federal debt. As a result, Social Security and Medicare as we know them would end by converting them into welfare programs.

That is why the National Committee urges this subcommittee to send a strong bipartisan signal against interfering with the mandatory funding of these critical programs.

And that is why we urge you, Mr. Chairman and members of this subcommittee, to do everything you can to get this legislation passed. We look forward to helping you enact this important and much needed legislation.

Again, thank you for the opportunity to speak.

[\[The statement of Mr. Richtman follows:\]](#)

Chairman Larson. Thank you, Max.

And now we will proceed under the 5-minute rule for questions for the witnesses.

Mr. Reed. Mr. Chairman, before we go to questioning, at the end of the testimony, I just ask unanimous consent to enter into the record the statement from President Trump on August 13th, 2020, at 5:56 p.m., where he stated: "I am going to completely and totally forgive all deferred payroll taxes without, in any way, shape, or form, hurting Social Security. That money is going to come from the General Fund. We are not going to touch Social Security. I said from day one that we are going to protect Social Security, and we are going to protect our people, and Social Security is one of the things that will be protected. Social Security will be totally protected under me."

So any indication that terminating Social Security is the intent of the President of the United States is completely inaccurate.

Chairman Larson. Without objection --

Mr. Pascrell. Mr. Chairman?

Chairman Larson. Yes?

Mr. Pascrell. May I respond to my brother?

Chairman Larson. You are recognized.

Mr. Pascrell. Thank you.

That was in August. In September, in response to a question if a payroll tax is on his second term agenda, President Trump responded, "We are looking to do that second term. We are looking to do something now if we can. We are taking it from the general fund," as you mentioned before, "and we are not taking it from Social Security. And we make up for it in the tremendous growth we are going to experience."

But, Mr. Reed, this is --

Chairman Larson. Will the gentleman suspend?

Mr. Pascrell. I am sorry?

Chairman Larson. In terms of regular order, we will get back to you.

First of all, the gentleman from New York was offering for a -- asked for unanimous consent, unanimous consent to submit for the record the statement. And you then asked to be recognized. I recognized you. I thought it was in regard to that statement.

Mr. Pascrell. It is.

Chairman Larson. Rather than go into debate, which would be out of order, let us recognize for unanimous consent. Is there objection to the --

Mr. Pascrell. Thank you, Mr. Chairman.

Chairman Larson. Without objection, so ordered.

[\[The information follows:\]](#)

Chairman Larson. And, Mr. Pascrell, you may complete now your thought. I beg your indulgence, but --

Mr. Pascrell. Thank you.

The question is, Mr. Chairman, Mr. Reed, that this is the same approach as the ACA. We are not going to do away with certain things, but we are going to do away with the bill itself, the entire bill.

So what I am saying is you don't have an alternative. Just to simply say that you are going to take it from the general fund is not an alternative, because we have to vote on that. You have to vote on that.

And so I would question -- in fact, I think he doubled down on September the 10th with two -- with a couple of other statements.

And I would really question just simply saying, "Oh, we will pay for that because we will take it out of the general fund." What part of the general fund? How will taking that money affect other people and other programs?

And, you know, no debate. That is just what I enter into the record.

Chairman Larson. Well, I would like to -- I thank the gentleman, and I appreciate the brevity, but we -- this is the questioning period now for our expert witnesses to begin, and so I would like to start.

I would like to start with Nancy Altman.

And, Nancy, you heard the ranking member's comments. How many times has President Trump said he would terminate Social Security's payroll taxes? And could you elaborate on why any kind of payroll tax deferral or termination threatens Social Security as we know it?

Nancy, you have to unmute yourself. We cannot hear you. If you could start

back again. Yeah.

Ms. Altman. Is that better?

Chairman Larson. Yes. There you are.

Ms. Altman. Thank you.

The answer is that President Trump has been advocating this for years. In his first year in office in 2017, he reportedly was considering it in connection with the Republican tax bill. He just recently threatened to veto the next COVID package if it didn't include cuts to Social Security, to the revenue, the same thing he is advocating now.

In just the last few months, he has advocated it at least eight times. In fact, he said that he would want to do it even if there were no pandemic. This is obviously a top priority.

And what it does is it fundamentally changes Social Security from wage-related insurance to a government transfer program. It has actually been proposed by Republicans literally since 1936. Back then, they called it what it was, repealing and replacing Social Security.

General revenue is the first step to adding a means test, cutting middle class benefits, and other radical changes that have been on the wish list of opponents since the beginning, and that is why all of us in this Social Security community are taking this really as an existential threat.

Chairman Larson. I have a question also here for Mr. Goodwin.

How are Active-Duty military and veterans faring during this pandemic? And have you heard from Active-Duty military about the President's plan? And is that worrying them?

Mr. Goodwin. Absolutely, yes, sir.

I mean, the Active-Duty and veteran communities have been hit really hard by this pandemic. I would point to you the crisis that has occurred, to Ms. Dean's point, veteran nursing homes at the State level have been hit really hard in veteran patient deaths.

The Department of Veterans Affairs has been understaffed, short on PPE, and has been asking for additional relief from Congress.

And on the Active-Duty side, we have seen the chaos play out because of a lack of unified leadership in situations like the coronavirus outbreak on the USS Roosevelt that ended with the termination of President Trump's Navy Secretary.

When it comes to this proposal and the tax deferral we are discussing today, there has been a lot of concern voiced by folks inside the military that we have spoken to, and also the outside support groups that they look to for financial readiness advice and a whole range of family support issues.

And I would harken back to the Sergeant Major of the Army's tweet which I shared. I mean, coming from the senior-most enlisted man in the entire U.S. Army telling soldiers not to use this money and to set it aside knowing that they will have to pay it back.

Chairman Larson. Thank you.

For Max, you might have heard me say in my opening comments about Social Security not being a handout. This is so often misconstrued and people who constantly refer to it as a tax.

What do you mean by earned benefit? And how is the Social Security program funded?

Mr. Richtman. Well, thank you for the question. I hope you can hear me.

Chairman Larson. We can.

Mr. Richtman. Can you hear me?

Chairman Larson. Yes.

Mr. Richtman. Okay. Thank you for the question.

The program is funded by a dedicated revenue stream, the Federal Insurance Contribution Act. That is what it is really called, FICA. Many people know the term but are not familiar with what it stands for.

And this is a contribution that workers pay, and their employers match it, every time they are paid, every paycheck, and it funds the old age survivor and disability programs.

That is why we are so upset in the advocacy community when we hear it referred to as an entitlement. It is not something you get because you are living and breathing. It is something you pay for. You are buying insurance by paying these premiums with every paycheck.

And if I could, Mr. Chairman, I thought that the exchange between Congressman Pascrell and Congressman Reed was so important. I also watched President Trump -- I think he was getting on a helicopter when he told a group of reporters this deferral and the possible permanent elimination of payroll taxes has nothing to do with Social Security, I think he said absolutely nothing to do with Social Security, because we are just going to take money from the general revenue and put it into Social Security.

Frankly, I am not sure the President appreciates how Social Security is funded. I don't know if he cares about it that much.

But the fact is I think Mr. Pascrell raised the right points. You can't just say, "There is no problem, we are going to take this from general revenues." Where is that money coming from? Is the President going to raise taxes to come up with that money? Are other programs going to be cut? I don't think so.

I think what we are looking at down the road: Less money for Social Security, benefit cuts to beneficiaries. That is what is in store for working people who are depending on Social Security for the future and for current retirees.

Chairman Larson. Thank you, Max.

Ms. Matsui, how did Social Security help women, especially women of color, even before the pandemic?

Ms. Matsui. Thank you for the question, Congressman. Social Security --

Chairman Larson. You are going to have unmute yourself.

Ms. Matsui. Can you hear me?

Chairman Larson. Yep, now we can.

Ms. Matsui. Great. Thank you so much for the question, Congressman.

Social Security is a source of income that many women, especially women of color, rely upon. Because of their lower lifetime earnings, because they live longer than men on average, and because they are more likely to live by themselves as they age, having a stable, inflation-adjusted source of income that continues the rest of their lives is particularly important for them.

For women who have lower wages -- and this includes women of color -- it is frequently very difficult to accumulate savings, including retirement savings. And so, as some of the other witnesses have mentioned, Social Security is a sole source of income for a shockingly high number of women, and especially women of color.

These are some of the many reasons why, even before the pandemic, Social Security was so important for women. And during the recession, because Social Security offers a continuous stream of income, it helps offset the economic harm that the oldest and poorest beneficiaries receive. And beneficiaries are putting those dollars back into the economy, and so it serves to stimulate the economy.

Those are some of the reasons why, particularly in this moment, it is especially important to not jeopardize the source of funding for Social Security.

Chairman Larson. Mr. Estes, you are now recognized.

Mr. Estes. Thank you, Mr. Chairman.

And I appreciate all of our witnesses participating today.

But I am kind of astonished that we are actually having a hearing on this fabricated crisis.

You know, the title of this hearing is "Save Social Security Now." And we have talked about a lot of things, like current retirees don't get the benefits that workers do from a payroll tax cut, and that lower-income workers are affected differently than higher-income workers.

Some people mentioned that the so-called Heroes Act is a good bill, that some workers don't have pensions, that there are differences between working women and working men, and that poverty rates are bad.

But we did not hear any truthful plan that the President had ever said that he wanted to end Social Security.

You know, since March, both sides of the aisle have worked in a bipartisan manner to provide relief for our constituents -- workers, families, and seniors who have had their pocketbooks and livelihoods impacted by the COVID-19 pandemic.

In March, we came together to pass the CARES Act, which kept 51 million people employed, including 520,000 workers in my home State of Kansas. Additionally, it provided direct payments to seniors and expanded funding of services that they depend on, such as meals, housing, and medical services.

I was proud to support this legislation.

But Congress has not come together to pass a bipartisan plan to preserve and

protect Social Security, which is what we Republicans want to accomplish. Therefore, the administration wanted to find a way to provide temporary, targeted relief to frontline workers by letting them keep the money they earn.

The administration allowed businesses to temporarily defer the payment of payroll taxes, understanding that congressional action would be needed to make the Social Security trust fund whole.

I would like to remind my colleagues that the previous Presidential administration supported the temporary payroll tax holiday twice during the recession. Even Speaker Pelosi in 2011 said that a payroll tax cut would be a victory for all Americans, for the security of our middle class, for the health of our seniors, and for economic growth and job creation.

We currently have legislation introduced by Ranking Member Brady that would create a temporary payroll tax holiday from September 1 through December 31st, 2020, for all workers. Much like the previous times, H.R. 8201, the Support for Workers, Families, and Social Security Act, transfers money to the Trust Funds to make sure that Social Security stays solvent.

I must admit I wasn't an early advocate for a payroll tax holiday as COVID first struck, but I see now how important it is for our essential frontline workers to get this benefit.

This bill forgives the payroll taxes deferred by President Trump to help our working families, many of whom now rely on a single paycheck. Our workers deserve to have certainty and stability. That is why I am a proud cosponsor, and I urge my colleagues to join me in support of this legislation.

And this bill actually solves some of the concerns mentioned by several of our witnesses today about whether people would get a payroll shock the first of the year

when the payroll taxes would have to be paid back.

So instead of scaring seniors and beneficiaries, which my colleagues across the aisle have been attempting to do, we can work together to pass real bipartisan legislation to help seniors.

For example, H.R. 5306, the Know Your Social Security Act, would provide mailed Social Security statements to workers 25 and older which would assist everybody in knowing how much they have in Social Security and help them plan for retirement. This legislation, cosponsored by Chairman Larson and Mr. Buchanan, was reported unanimously from the full committee but has not yet received a floor vote.

Additionally, there is Senate bill 3731, the Improving Social Security's Service to Victims of Identity Theft Act, which would require the Social Security Administration to provide a single point of contact to any individual who needs to resolve a problem with SSA because of misuse of his or her Social Security number. This legislation has not been scheduled for a floor vote in the House, although both Chairman Larson and Ranking Member Reed have an identical House version.

With bills like this already introduced in Congress and even more needed reforms that are yet to come, we need to work together to secure the future of this program rather than stalling needed relief.

I am tired of playing partisan games with legislation trying to score political points. I look forward to working with my colleagues on both sides of the aisle to strengthen Social Security and create lasting change for future generations of Americans.

I yield back the balance of my time.

Mr. Higgins. [Presiding.] The chair recognizes Ms. Sanchez.

Ms. Sanchez. Thank you, Mr. Chairman.

And I am so glad that we are holding this critical hearing. Today's discussion has

really illuminated the difference between policies that will help families survive the greatest challenge in generations and those that just pretend to help them.

I want to use my time to dig a little deeper on some of the issues that I outlined in my testimony.

Ms. Matsui, I have worked for many years on legislation to increase benefits for widows and widowers. Can you expand on how critical Social Security benefits have been for women who have lost their partner during the pandemic? And would the President's actions do anything to help them?

Ms. Matsui. Thank you for the question, Congresswoman, and thank you for your advocacy on behalf of widows and widowers in particular.

So, as you are well aware, especially for older women now, the majority of widowed spouses do tend to be women, and they do rely on their spouse's benefits.

A couple during their lifetime receives a certain amount of benefits, but upon the death of a spouse that amount is reduced. And as a result many widows and widowers will see their incomes drop, and obviously it is more difficult to maintain their standard of living and meet all of their needs on smaller amounts of income. And that is particularly acute during a recession like the one we are facing right now.

So as your legislation will do, adjusting the amount of benefits that a widow or widower could receive would boost their economic security and make it easier for them to make ends meet once they have lost a spouse.

Ms. Sanchez. And would delaying or eliminating FICA contributions help those women?

Ms. Matsui. It would not.

Ms. Sanchez. Thank you.

Ms. Altman, I want to ask you, you know, it has been said that this delaying FICA

contributions or eliminating them, that is not a plan to get rid of Social Security. But can you please tell me what will happen if FICA contributions from workers and employers are delayed?

Ms. Altman. Thank you so much for that question.

Social Security is current funded. So there is about a trillion dollars -- nearly a trillion dollars of revenue that comes in from those contributions.

And there is a maxim in the law that justice delayed is justice denied. And, unfortunately, with Social Security, if you delay those contributions long enough, as the Chief Actuary has said in his correspondence, that will end those benefits.

Ms. Sanchez. Okay. And what will happen if we eliminate those FICA contributions into Social Security completely?

Ms. Altman. Well, that really fundamentally changes the whole nature of Social Security.

Social Security is self-help. It is an earned benefit. And what you are doing is you are breaking the link between benefits and contributions, a core piece of the program that has been there for 85 years.

Ms. Sanchez. Would Social Security survive if we eliminated those contributions?

Ms. Altman. Well, if you eliminated them, disability insurance would only survive 6 months; old age survivors, the widow and widower benefits you were just talking about, about 2 years beyond that.

So, no, they wouldn't. If you eliminated the revenue, it would cut more than a trillion dollars.

Ms. Sanchez. Would terminating the worker and employer benefit help workers who have been fired?

Ms. Altman. No, they would get zero from this, absolutely nothing.

Ms. Sanchez. My time has expired. Thank you, Mr. Chairman. I yield back.

Mr. Reed. Mr. Higgins, I would ask unanimous consent at this point in time to insert into the record a statement released yesterday by the United States Treasury Department clarifying the Social Security trust funds will not be affected by President Trump's payroll tax deferral.

Mr. Higgins. So accepted, sir, without objection.

[\[The information follows:\]](#)

Mr. Reed. Thank you.

Mr. Higgins. The chair now recognizes Mr. Pascrell.

Mr. Pascrell. Thank you, Mr. Chairman.

The payroll tax that we are discussing here today fails to help millions of Americans during this pandemic. Unemployed workers and retirees don't pay payroll tax. So a deferral doesn't help.

So the focus on a deferral is really ignoring and denying and being almost lethal about the President's attempt to get rid of payroll tax entirely. Our chairman -- the ranking member, Brady, has already introduced a bill to forgive the amounts deferred by Trump's memo. So you defer those payments, and what are you left with in the budgets as you took it from the general fund?

And I think that is a legitimate question. I think it is a very legitimate question.

We see this as the first step to begin the defunding. I mean, that is the natural consequence. That is not maybe how you are intending this plan to work, but that is a, I believe, a consequence. You may not have attempted in the votes to change the Affordable Care Act, whether you were talking about obligations and responsibilities, whether you were talking about subsidies, but that is the end result, and you need to look at it.

So we would end Social Security as we know it -- all the actuaries say this -- by 2023. So we may not have intended that, but I think that that is going to -- the numbers look like it is -- this is what is going to happen.

Now, again, we all agree now that this is not a handout, Social Security, it is an earned benefit, and we pay into this insurance.

So most major businesses that I read about have refused to implement the

deferral. Now you have got another problem.

So according to the Chamber of Commerce, quote/unquote, not only is the payroll memo surrounded by uncertainty as to its application and implementation, but it also creates a substantial tax liability for employees at the end of the deferral period. The gig is up then.

The largest employer opting into this failed experiment is the Federal Government.

Look, your side is on record in support of this plan, but in the beginning you were not. You saw very specifically what the hazards would be if you went through with this deferral, and you pushed back what the President was trying to get through, if you remember.

This was a last-minute entry into the discussion and the debate to find some money. And I think this is going to produce grievous harm to 96 percent of Americans who say that Social Security is important to them.

Now, if you make less than \$4,000 on a bi-weekly basis, employees are going to be affected. But few businesses are expected to participate, as I said before, in the deferral, in part because of the administrative burdens, but also because it will result in their employees receiving less in take-home pay in the first few months of 2021 as the payroll taxes deferred come due.

Social Security is financed by a payroll tax contribution. Employers and employees each pay 6.2 percent of taxable wages up to the taxable maximum of \$137,700; in self-employed pay, 12.4 percent.

The President's deferral of the payroll tax is the first step to defunding.

And I have a question. Do I have time to question, Mr. Chairman?

Chairman Larson. [Presiding.] Ask the question, and we will give the person

time to answer.

Mr. Pascrell. Yeah, my question is this, to Ms. Altman.

We know that the President's executive action to allow the deferral of payroll tax payments will provide little to no near-term economic stimulus. We saw this in the tax cuts of 2017, proof positive. Data bears it out.

Wouldn't economic impact payments be a more efficient way to provide direct assistance, Ms. Altman?

RPTR MOLNAR

EDTR HOFSTAD

[3:04 p.m.]

Ms. Altman. Absolutely. There is no question about that.

Chairman Larson. We will -- because of the time constraints, what we are going to have to do is ask you to submit that in writing.

And, with that, the chair will recognize Mr. Reed.

Mr. Reed. Thank you, Mr. Chairman.

And just in follow-up to my good friend from New Jersey, I just want to make it clear that in order to change anything in regards to the payroll tax going to support Social Security, it would take legislative action to do that, not an executive order by the President of the United States.

That is why the Chief Actuary's response to this clearly made it clear that there is no legislative proposal. It is a hypothetical question posed to him. It was a hypothetical, nonexistent exercise. As I spoke to him personally, he indicated that all he was doing was responding to a hypothetical, nonexistent legislative proposal that is now being utilized for political theater, in my humble opinion.

You do not engage in this type of exchange based on hypotheticals and nonexistent legislative proposals. It is --

Chairman Larson. Will the gentleman yield?

Mr. Reed. I am not going to yield at this point in time.

And I am concerned all we are doing is engaging in fear-mongering.

I want to get to our witness in regards to Ms. Dean. Because what Ms. Dean's family has gone through -- my heart goes out to you, Ms. Dean -- because she represents what should be the immediate concern of this committee and the entire Congress, is her

family. Ms. Dean has lost her loved ones as a result of this virus. And what we are doing is utilizing our time here on this committee to engage in political theater for Presidential politics.

And I guess I would ask the question of Ms. Dean, as you see this, as you watch this committee engage in this, when you have lost your loved ones of your family, do you feel that you are forgotten? Do you feel that you have been ignored by policymakers that should be focusing on getting to the bottom and hold accountable and seeking justice for your family for the horrific actions that caused your loved ones to die in New York at that horrific nursing home crisis?

Ms. Dean. Listen, I listened today, and all of the panelists had wonderful things to say about Social Security. I wish my in-laws were here to hear about all of this. They took part in the Social Security program. My husband's father actually had to give up his Social Security to the nursing home when he was admitted when he had dementia.

So, yes, my answer is, we want answers, and I am not hearing those answers. I am not hearing the questions being asked of our Governors. I talked about Governor Cuomo, but that also goes for four other Governors in other States: Governor Whitmer in Michigan, Governor Wolf in Pennsylvania, Governor Newsom in California, and Governor Murphy in New Jersey. All of those Governors, including Governor Cuomo, put COVID-positive patients into nursing homes, and they knew that that was going to spread the virus like wildfire. I believe it played a part in the role of the death of my loved ones.

So why aren't we getting those answers? Why aren't we hearing hearings? My friends have said to me that, if they didn't see me on the channel that I broadcast on or some of the interviews that I have done, that they wouldn't know that there were COVID-positive patients forced into nursing homes.

So, yes, I would like answers. And I am grateful for this opportunity to be able to use this platform to raise awareness for all of those families, the thousands of families who are grieving.

We weren't able to have a funeral. We weren't able to have last rites. We couldn't see our loved ones before they died.

So, yes, before we move forward, we have to get answers to the questions we need now, as to why policies were made and why we aren't getting the answers.

Mr. Reed. So, rather than focus on nonexistent, hypothetical legislative proposals that aren't in reality, we should focus on the reality of Ms. Dean's situation.

With that, I yield back.

Chairman Larson. I thank the gentleman.

And I will now recognize Mr. Boyle from Pennsylvania.

Mr. Boyle. I hope you can hear me okay.

Chairman Larson. Yes.

Mr. Boyle. Yeah.

So, first, let me say to Ms. Dean and, indeed, to the loved ones and family members of all 200,000 Americans who lost their lives because of COVID, my sincere sympathies and condolences. Unfortunately, I have a number of friends, three now, who have lost parents because of COVID-19.

It is such a tragedy that here in the United States, the richest country on Earth, we are 4 percent of the world's population and yet we have had to suffer 20 percent of the total COVID cases and 20 percent of the deaths as a result of COVID-19. While COVID-19 itself was unavoidable, clearly the enormous damage here in our country, more than any other, was avoidable.

Now, in terms of the payroll tax, what at the moment is a deferral, although some

on the other side of the aisle have legislation to make it permanent, I think the reason why there was such resistance to this idea on Capitol Hill, interestingly, on both sides of the aisle initially, was the recognition that the pandemic caused our unemployment rate to spike to its highest level since the Great Depression. If you get a payroll tax cut or deferral, that only helps you if you are paying the payroll tax, and in order to be paying the payroll tax, you have to be employed. It doesn't do anything to help the millions of Americans who are unemployed.

So, when we look at a number of things that we can and should be doing to help people get through this pandemic, to help those who have lost their jobs, lost their businesses, a payroll tax deferral does not in any way achieve that objective.

Now, to this other point, I hear maybe some on the other side suggesting that, well -- and I am paraphrasing now, but -- President Trump might have been speaking off the cuff or extemporaneously, it is not a serious proposal, he doesn't mean to eliminate the payroll tax cut even though he is -- or he doesn't mean to eliminate the payroll tax, period, even though he has said that.

I have a list here of different statements he has made along these lines. We heard Senator Wyden talk about his comments in Davos, that the number-one priority for a second administration would be, quote/unquote, "entitlement reform." So I have to say, in all sincerity, I fully expect that, if there is a second Trump term, there will be some sort of an assault on Social Security, perhaps dressed up in the guise of reform.

Now, we have said before at various different hearings that Chairman Larson had held that Social Security is an earned benefit, that people have paid into it, and that right now we need to act before we reach the point at which it becomes insolvent.

So let me say either to Ms. Altman or to Mr. Richtman, can you please remind us at what point the trust fund, on current projections, will go insolvent? And what would

that date be if there was any permanent elimination to the payroll tax as the funding source?

Ms. Altman. Max, if it is all right with you, I will start, and then you can follow.

Mr. Richtman. Sure. Thank you, Nancy.

Can you hear me, Congressman. Yes?

Ms. Altman. Yes.

Mr. Richtman. Okay. Under current law --

Ms. Altman. I was going to start, if I could.

Mr. Richtman. Under current law, if there are no changes, either in the financing or the benefits of the program, the trustees tell us that the program will not be able to pay full benefits by the year 2035.

That date, obviously, is moving closer to the present because of, as you mentioned, there are so many people unemployed; they are not paying payroll taxes. That is moving the date closer to the present. Reducing the inflow of revenue, whether it is a deferral or a permanent cut in the payroll taxes, brings us even closer.

It is my understanding that the Chief Actuary has said, without replacing that revenue from general funds, the program would not be able to pay benefits in about 2-1/2 years.

And I have to -- if you will allow me, just to comment on -- Congressman Pascrell, as usual, hit the nail on the head. The Congressman who was filling in for Ranking Member Reed for a few minutes, he made a statement that really got my attention. He said, no one has said we want to end Social Security.

Of course no one is going to say that. No Member of Congress or no candidate for Congress is going to say, "We want to end Social Security." That is really not the issue. As Congressman Pascrell pointed out, the issue is --

Chairman Larson. Max, you are going to have to sum up.

Mr. Richtman. -- what this will do. Deferring the payroll tax or eliminating it altogether is the death knell of Social Security. Whether someone says they want to do that or not, that is the end result. That is the --

Chairman Larson. Thank you.

The time of the gentleman has expired, and we will now recognize Mr. Kildee.

Mr. Kildee. Thank you, Mr. Chairman.

I have some questions about Social Security, but I just want to also weigh in. I feel, as most Americans do, a terrible sadness at the loss of life, and I offer my sincere condolences to Ms. Dean and her family. I, too, have lost friends. And I do think it is a legitimate area of inquiry, to look at the conditions that allowed this pandemic to get so far out of control that it has caused such a loss of life.

Of course, the President said this was all just going to magically disappear, and he is still yet to have any kind of a coordinated plan to crush this virus. We should have hearings on that.

But this is a hearing of the Social Security Subcommittee to ask questions and get to the facts regarding Social Security, which is not a handout. It is an insurance program that the people I represent have paid through a lifetime of work to fund -- to fund retirement, disability, and survivor benefits. It has been successful at lifting millions of people, widows and others with disability, out of poverty.

To make sure it remains available for current and future retirees, we have to enter these questions -- we have to ask these questions when the President of the United States, through his own action, defers or suspends the premiums being paid to support that very benefit. So I, like my Democratic colleagues, we are concerned about this. And we reject this attack on Social Security and its dedicated funding stream.

In my own district, 176,000 families receive Social Security insurance. It has been a source of certainty for many during this terrible pandemic. And what this President has done is raised some questions about its certainty by suspending the premiums that go to support that important benefit.

And this is a pandemic that is hitting older Americans particularly hard. Almost 90 percent of the COVID-19 deaths in Michigan have been people 60 years of age or older. That is devastating. Older Americans should not have to worry about their earned Social Security benefits, with all the other worries that they have.

So I want to ask Mr. Roach a question: Does the Trump administration's payroll tax deferral plan help seniors?

Mr. Roach. Absolutely not. Thank you for the question. Seniors will not get anything from the payroll tax -- and unemployed people will not get anything from the payroll tax deferral or elimination.

Retirees are very much -- they are concerned that this is the first step at defunding Social Security. And unemployed workers are not getting anything from it. And State and local workers -- 25 percent of State and local workers don't participate in Social Security, so it doesn't help.

There is action in Congress. The HEROES Act would help retirees with an economic impact check to all Social Security recipients.

Mr. Kildee. That is what I was going to point out, is that there is legislation, not only legislation that we could talk about or have a hearing about; there is legislation that the House of Representatives has passed that would target benefits to the folks who need them the most.

In this case, we have a Social Security payroll tax that has supported and has been the source, the premium source, of that fundamental benefit program, that social

insurance program, that throws a question mark over the commitment that this country has to ensure that that program will be in place. And it is not a benefit -- the reduction of that payment, of that tax, doesn't benefit people who are not employed.

So I just implore my colleagues, we should have a hearing, a whole series of hearings -- and we have a special select subcommittee to deal with this in the Oversight and Government Reform Committee -- to ask questions about what has gone on in this country and the policies that have led to this pandemic getting so out of control.

But the Social Security Subcommittee has a purpose, and it is to ensure, my view is, to ensure the integrity of the Social Security system, to make sure that there is no threat that goes unchallenged, no threat to the promise that Social Security represents. And I see what the President has done as being the beginning of a threat to an important promise that we have made to seniors.

So I thank the chairman. I thank our witnesses, all of them, for being here and for presenting this important information. And it is just the beginning of a conversation that I think has to continue for a long time.

So thank you, Mr. Chairman, for your dedication to this cause, and I yield back.

Mr. Pascrell. [Presiding.] Thank you, Dan.

And we are going to our final member, I believe -- oh. The next one is Representative Jodey Arrington.

Mr. Arrington. Thank you, Mr. Chairman.

I must say, I have come to this subcommittee hearing deeply troubled, very disappointed that, instead of dealing with the problem that seniors -- and the safety net that they depend on and really address the problem of the sustainability of this much-needed and critical program and this earned benefit, we are propagating -- and I say "we" -- my colleagues seem to be parroting pure campaign fodder.

Because this is the narrative right now in the Biden-Harris campaign, that somehow the President wants to do away with Social Security and that by deferring or reducing, cutting payroll taxes, that somehow that is going to cut into the trust fund or imperil Social Security in any way.

That is so patently false, that is so grossly misleading that I can't believe that, in a time of crisis, when our seniors are already anxious, they are already in a posture of so much fear -- I mean, think about it. Of the 200,000-some-odd folks who have passed by the disease, COVID-19, over 80 percent are 65 and older. They are watching the cities that were once great American cities burned by the leftist mob. They are seeing the level of contentiousness and animosity burn in the People's House and the dysfunction of being able to come together to actually work to support and provide much-needed help for our fellow Americans.

While they are in this very fragile state, mentally and emotionally, we are going to come here to push out more Biden-Harris campaign material and make Social Security a political football. It is beneath this committee to have this hearing and to suggest the President is going to cut Social Security.

The Biden campaign put out a commercial, and even The Washington Post gave him four Pinocchios for doing that. I am going to put it up here for everybody to see.

And then, in the article that The Post wrote, the ad refers to Trump's, quote, "planned cut." But the author of the article said, "But there are no planned cuts." He goes on to say: The ad asserts that if, quote, Trump gets his way, benefits will run out. But, actually, the author of this article says, the letter says that the transfers would be made from general funds so no benefits would run out.

I mean, why are we preying on our seniors right now? Like, come on, guys, this is the worst time to play this sort of political game and score the cheapest of political

points.

So, look, the chairman is sincere about wanting to work together to solve Social Security, and he knows better than to allow this. I think this is a mistake. I think this is going to be one that, unfortunately -- because I trust his intentions. I believe he wants to work with Republicans and really go, you know, roll up our sleeves and solve the problems. But this is bad. This is a bad, bad decision here.

Listen, the chairman himself said -- at a hearing in March, he said: I will give the President credit here. He stood on the stage with 16 other Republicans and he pledged not to cut Social Security. He understands the importance of it too.

He said again at another hearing in April -- he commended the President and his dedication to Social Security by saying, quote: Let me start by complimenting the President of the United States. The President, I think, he goes on to say, both in his book and also when it really mattered, when there was a bright light during the course of the debate that was shined on the issue of Social Security, when pressed to say whether it was an entitlement, President Trump resisted. He said, no, it is an earned benefit. And, in fact, he said in his book it is the deal that we made and a commitment we made to our seniors, and I intend to keep it.

Now, that is an honest broker who is just stating the facts, that this President is committed and that we Republicans on this subcommittee ought to be equally committed to meet our colleagues, you know, halfway, so to speak, to try to solve this problem. I commended our chairman for putting forth legislation. I think that is a credible way to lead, even if I disagree with it, because he has something on the table.

But this hearing is a -- if it were a waste of time, I would suffer through it and keep my mouth closed and not, you know, disparage my colleagues. But it is predatory. It is predatory. And we are scaring and adding greater anxiety and fear to our seniors at a

time when it is unconscionable to do so. So, very disappointed, Mr. Chairman.

Janice Dean, thank you for coming, and to all the witnesses, but especially, Janice, for your loss. Our hearts go out to you. It is real. I can't imagine what you have gone through, and so many Americans, as they have been affected by the pandemic. So God bless you. Thanks for being here. And, again, for everybody, their contributions.

But this is not my best day and my proudest day to be a Member of the United States Congress and this subcommittee. Because we should be doing the people's business, and we should be working together on it. We can debate. We can disagree. Let's not take advantage of our seniors any more than they are already being taken advantage of every day in politics on all sides.

Thank you for letting me speak my mind and my heart today, Mr. Chairman. I yield back.

Mr. Pascrell. Our next speaker will be Congressperson Schneider.

Mr. Schneider. Thank you, Mr. Chairman.

And I want to thank all of our panelists today for joining us in this very important meeting.

And as was previously said, to Ms. Dean, I extend my condolences to you and your family for the loss of both your in-laws, like so many in this country.

More than 200,000 people have already buried a loved one. And we need to find a way to beat back this virus, to beat back this health crisis, this economic crisis, get people back to work and our country back on the path to renewal.

The pandemic, the COVID-19 pandemic, has put unprecedented strain on our economy. Millions of Americans still remain out of work. We don't know how many businesses have permanently closed. And, every week, we are seeing more and more businesses in our local communities shut their doors, and we don't know how many may

be on the verge of closing right now.

We can all agree that our country needs drastic measures to revamp our economy, to get to recovery and renew our Nation. Unfortunately, that is not what we are discussing here today. What we are discussing today are policies that will literally drain Social Security at a time when more senior citizens are relying on this program than ever before.

Deferring payroll taxes does nothing to benefit those who don't have a job, who are receiving no payroll. Right now, there are millions without a job looking for a path forward.

To quote the Chamber of Commerce, the move the President discussed, the move has instead raised serious concerns for both employers and employees. As it stands, President Trump's actions to defer payroll taxes won't help either the employed or the unemployed. That begs the question, who does this proposal help?

We can be sure of one thing: This policy, as well as President Trump's statements on eliminating the payroll tax altogether are, indeed, a direct assault on Social Security and our seniors' retirement income.

So, if I can ask Mr. Roach, can you take a moment here and explain what will happen to pensions, to 401(k)s, to retirement savings in economic downturns? And can you discuss what happened to retirement accounts during the Great Recession, as well as how retirees are now rebounding?

Mr. Roach. Well, during the Great Recession, after the Great Recession, wages became stagnant, so people weren't able to save and able to put money away. Pensions were terminated during that period of time, and many of our fellow Americans who once believed that they had a pension coming and was going to rely on Social Security do not have that pension, or it was reduced or terminated because of corporate bankruptcies.

And so they are not faring very well. Even, you know, whatever happened since then has not really -- all the Americans who suffered during that time have not recovered. Their retirement accounts have not recovered. And many of their pension plans have been terminated, and their pensions have been reduced.

Mr. Schneider. Is it fair -- also, I know many of my constituents borrowed from their retirement plans during that time and are still paying back. So they haven't even had the benefit -- where there has been some recovery in the asset values, they didn't benefit from that. Is that true?

Mr. Roach. That is absolutely correct. And many of the pension plans that were properly funded prior to that recession are still not properly funded, and they are on the brink of bankruptcy, through corporate bankruptcies.

And so everybody is suffering, and this is a very difficult period of time. And our seniors don't need to worry -- they are worrying enough about being sick. They don't need to be worrying about whether or not they can take food or medicine on a daily basis.

Mr. Schneider. Absolutely. Thank you, Mr. Roach.

This is a time for bolstering our future retirees' savings. We can't pull the rug out from under them.

That is why I have introduced the Preserving Employee Retirement Savings Act with my colleague Mike Kelly -- bipartisan -- which would offer employers a tax credit for continuing their matching contributions through the pandemic.

Again, I want to thank the chairman and all our witnesses for joining us today for this important hearing.

With that, Mr. Chairman, I will yield back my time.

Chairman Larson. [Presiding.] I thank the gentleman.

And I would also add that, you know, this has been difficult, to say the least, in terms of both voting and then voting in the midst of a pandemic and voting in the midst of a pandemic and having a hearing that is a hybrid hearing, that is both here in the committee room and also virtual at the same time.

But I understand, in my absence, that Representative Arrington was saying that this was a political hearing.

Let me be clear about this, as I hope I was in my opening statement: Social Security is a sacred trust with the American people. And when you talk about, first, deferral, that raises questions, where we have had everyone from the AARP to the Committee to Preserve and Protect Social Security and Medicare, to so many not-for-profit agencies who have spoken up about their concern and worry.

It is bad enough that people are worried, as Senator Wyden said, about making that balance every single night, about wondering whether or not that money is going to be there. And then to have the President say, not once, not twice, not three times, but more than 14, that they will terminate the program.

And I guess we are not supposed to have, on the signature program of Franklin Delano Roosevelt, a program that was both enhanced by General Eisenhower and Ronald Reagan -- because they knew and understood the dependency of the American people on this program that is a self-reliant program that they have contributed to and paid with their hard-earned dollars. They deserve direct and specific answers, not platitudes. They deserve a plan.

I now recognize the gentleman from New York, Mr. Higgins.

Mr. Higgins. Thank you, Mr. Chairman.

Nancy Altman, you are the president of Social Security Works. What is the mission of Social Security Works?

Ms. Altman. I am so glad you asked that question. Our message, our allegiance is to the program. We are not aligned with any political party. We don't work for any political party.

In fact, I personally have worked for Senator Jack Danforth, Republican from Missouri; for Alan Greenspan in his capacity as chair of the Social Security Commission back in 1983; and the Ronald Reagan administration. So my allegiance is for protecting the program.

And that is what Social Security Works -- and I can speak for all of my colleagues on this panel; we do not work for any party.

Mr. Higgins. That is very, very clear.

So, as I understand it, the executive order would defer, or delay, Federal Insurance Contribution Acts through 2020. Do you have an estimate as to what amount of money that represents in loss of money going into the Social Security Trust Fund?

Ms. Altman. It is around \$100 billion.

Mr. Higgins. A hundred billion dollars? Okay.

Ms. Altman. Under the President's proposal. But under Mr. Brady's, it is \$137 billion.

Mr. Higgins. Okay, \$100 billion. And that is just for the remainder of this calendar year.

Ms. Altman. Correct.

Mr. Higgins. Now, the President seemed to backpedal and suggested that that shortage could come from the general fund. Here is the problem: The deficit for this fiscal year that ends this month will be \$3.3 trillion. So there is no general-fund bandwidth to replace this money.

What is the projected FICA contributions, both employer and employee, for the

next fiscal year, full year? Is it about \$800 billion?

Ms. Altman. No, it is around a trillion -- it is nearly a trillion dollars.

Mr. Higgins. What is it?

Ms. Altman. Well, all the benefits are about \$1.1 trillion, and FICA makes up 89 percent of that.

Mr. Higgins. Eighty-nine percent of that. So it is a little less than \$900 billion.

Ms. Altman. Correct.

Mr. Higgins. There is a projected deficit next year, in 2021, of \$1.9 trillion, not taking into account the potential for deferring FICA payroll taxes, which would bring the deficit to \$2.7 trillion for next year.

Ms. Altman. Correct.

Mr. Higgins. And as I understand it, that these are delays, not a forgiveness. So these individuals will have to pay this back.

Ms. Altman. The way that it is now structured, between January and April they will have double withholding.

Mr. Higgins. They will have what? I am sorry.

Ms. Altman. They will have to pay twice, essentially. They will have to pay their current FICA, but they will also have to pay the deferred amount. So it is paying double.

Mr. Higgins. Yeah.

So the President's plan is not a real plan. You know, he is deferring, but he is really bamboozling people. Because this is not a forgiveness. This guts the very program that folks, particularly older Americans, depend on to survive from day to day.

And it seems to me that the Social Security 2100 Act, which I believe most on the panel support, is the real remedy to this problem as it relates to the Social Security Trust

Fund. Is that a fair statement?

Ms. Altman. That is absolutely fair.

And if I may say one thing, there is a tactic going on; it is, you know, "starve the beast." It has been used with discretionary funding. It is easy to cut taxes and to put pressure on spending. And what is happening with this proposal is a "starve the beast." Either the money is, you know, just terminated or general revenue gets transferred. It is very -- it is an existential threat to Social Security.

Mr. Higgins. So the Social Security 2100 Act, sponsored by our chairman, John Larson, would increase payments to everyone, would increase payments to the most vulnerable, would strengthen the Social Security Trust Fund into the next century --

Ms. Altman. And it is fully --

Mr. Higgins. -- with a modest, gradual increase in payroll contributions. Is that accurate?

Ms. Altman. It is. It is fully paid for. We have endorsed it. I think every member of this -- all the witnesses' organizations have endorsed it as well.

Mr. Higgins. Any indication as to whether or not this proposal, the Social Security 2100 Act, does it enjoy bipartisan support?

Ms. Altman. It does in the country, but it does not within Congress. There are no Republican cosponsors. But I think the provisions are extremely popular in the country.

Mr. Higgins. And do you have any numbers as to what that bipartisan support is in the country for Social Security 2100?

Ms. Altman. Well, as you say, it has a more accurate cost-of-living increase. Seventy or 80 percent support that. It has --

Mr. Higgins. Seventy or 80 percent.

Ms. Altman. And for virtually all those provisions, it is in that range.

Mr. Higgins. Yeah.

I would argue that the President's confusing proposal is no remedy to the problem of Social Security, which is a time-honored tradition in this country, and that the only real approach, if you truly, truly support the continuation and the real strengthening of Social Security, is the Social Security 2100 Act.

I yield back, Mr. Chairman.

Chairman Larson. I thank Mr. Higgins.

And I now recognize the gentleman from Oregon. And we would also, as we did with Senator Wyden when he was here, extend to him our prayers.

I know the unbelievable situation with the fires that you have been experiencing, and wanted to make sure that we acknowledged that.

The gentleman from Oregon, Mr. Blumenauer, is recognized.

Mr. Blumenauer. Thank you, Mr. Chairman.

I appreciate the thoughts that you and so many of my colleagues have expressed. Words fail, to talk about the horrific situation that has been faced by people in my district, throughout the State of Oregon literally from border to border, the massive fires, the toxic air. My hometown of Portland, Oregon, which, you know, we pride ourselves in environmental quality, had the worst air quality in the world for 3 consecutive days. It is stunning. It is stunning.

So I appreciate your kind words and thoughts. I hope that we will be able to work together for the Federal Government to be able to move in to be able to remedy this horrific situation. My colleague Greg Walden, Senator Wyden, people are united in terms of trying to work with the Trump administration when this is on the line.

I must admit that one of the things that is a little frustrating is that I fear what we

are seeing is kind of a dress rehearsal with what is going to happen with climate change. We saw in Australia -- we have never seen anything like this in Oregon. It is throughout the Northwest. And we are having -- at the same time, we are having horrific climate conditions in other parts of the world.

I hope this is an area that we will be able to come together to take commonsense steps to try and protect it for the future.

Mr. Chairman, I strongly concur with what my friend Mr. Higgins said. This is so far off the mark it is unbelievable.

We should be dealing with Social Security. As you and the other members have pointed out, we are looking -- we are on a collision course in about a decade to have a 25-percent cut in Social Security because of the trust fund being exhausted.

And now we have a proposal from the President of the United States to accelerate that. It is a cruel hoax on middle-class Americans, because this is just the most temporary of tax relief, and they are going to have to make it up next year, when most of these people have no idea that they are still on the hook to pay for it.

Now, President Trump has suggested that, well, he is going to make it permanent, which compounds the felony.

At a time when we should be working to strengthen Social Security, when we should be dealing with opportunities to help people facing retirement crisis, we should enhance it, as with your legislation, Mr. Chairman, which I am proud to be an original cosponsor of and we have been discussing in Oregon. People understand and people love it.

The administration, in addition to the scam that is going to be visited upon individuals who, if their employers decide to take the President up on his offer and not collect it -- we are going to be slamming these people next year, unless he cuts the Social

Security Trust Fund.

Some suggest, well, we did this during the Recovery Act in the Obama administration. No, we didn't. There was a temporary reduction in the Social Security tax, and it was fully replaced. That was understood from the beginning, that we weren't going to put a deeper hole in the trust fund, we were going to replace that. And it is disingenuous for people to claim that there is some sort of precedent. There isn't.

Now, this is truly dangerous, because we have a President who is so unhinged that he is threatening to try and make it permanent. Now, to this point, people in Congress have resisted his calls for a cut in the payroll tax, but who knows? Who knows what he will force through.

Look at what he has done blocking movement to be able to have meaningful support for State and local governments that are hemorrhaging money, that are not able to provide the support that people need. He might well use the leverage that he has and we have seen him abuse -- taking money, for example, from military projects for his ill-fated border wall that Mexico was going to pay for. It is our military that is paying for it, undercutting the will of Congress.

Mr. Chairman, I really appreciate the subcommittee zeroing in on this. I appreciate my colleagues' offering their perspective. But I think the facts are unconvertible -- incontrovert- -- undeniable.

Chairman Larson. That works.

Mr. Blumenauer. That works.

We have a looming crisis with Social Security that we need to move to address. Donald Trump's ill-advised proposal would make the problem with the trust fund worse in the short term. It would cheat American taxpayers, who have no idea that they are going to get stuck for a bill if employers actually don't withhold the tax. And if he is able

to follow through on his promise to make this cut permanent, we further jeopardize the mainstay of economic retirement security for middle America.

I appreciate you bringing this before us. I look forward to working with you, sooner rather than later, on your legislation and stand with you to call out this ill-advised proposal. We must defeat it at any cost.

Thank you, and I yield back.

Chairman Larson. I thank the gentleman from Oregon.

And I thank all the participants today. Our witnesses were simply outstanding, and I can't thank them enough for their testimony.

I learned a long time ago, being in public office, about hearings of this nature. And an old sage once told me, "Don't take things personally," and I never do. And so, in the heat of a hearing like this, people have a tendency to say things. Sometimes they may mean it; sometimes they don't.

From the outset, we heard that perhaps this hearing was a hypocrisy. And Mr. Arrington said that we were parroting pure campaign fodder and we would be better off praying for our seniors. He was disappointed to be a member of this subcommittee.

Well, I am sorry that he feels this way, but, as an elected Member of Congress, you have to reach out and listen to all the people. And I just would like to read the following.

"Concerns about the deferral and its implementation are also widespread among America's business community and major employers. Over 30 prominent businesses and trade associations, including the U.S. Chamber of Commerce and the National Association of Manufacturers, as well as Fortune 500 companies, State governments, the U.S. House of Representatives, and the United States Senate, have all decided against deferring Social Security contributions out of concern for their employees.

"This deferral, along with the President's recent statements on the permanent elimination of the Social Security payroll tax contribution, are engendering uncertainty" -- let me underscore that -- "engendering uncertainty among older Americans and the general public about Social Security and its ability to pay promised benefits. As such, AARP supports the resolution of congressional disapproval."

Far from being hypocritical or hypothetical, far from parroting, these are real concerns that the American people face in the midst of a pandemic. And no institution -- I salute all of those who testified today. And, certainly, the AARP speaks truth to power always.

Thank you.

And, with that, this committee hearing is adjourned.

[Whereupon, at 3:50 p.m., the subcommittee was adjourned.]

Questions for the Record follow:

[Rep. Larson – Nancy Altman Question for the Record](#)

Submissions for the Record follow:

[Chairman Larson, All Submissions](#)

[Mr. Reed, Submission 1 \(Letter sent to Chief Actuary Goss\)](#)

[Mr. Reed, Submission 2 \(Letter received by Chief Actuary Goss\)](#)

[Mr. Reed, Submission 3 \(Washington Post fact check\)](#)

[Mr. Reed, Submission 4 \(President Trump Statement\)](#)

[Mr. Reed, Submission 5 \(Treasury Dept. Statement\)](#)

[Mr. Reed, Submission 6 \(Letter to W&M Majority\)](#)

[NASI, Statement](#)

